ANNUAL REPORT

OF THE

FEDERAL TRADE COMMISSION

FOR

FISCAL YEAR ENDED JUNE 30
1932

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1932

For sale by the Superintendent of Documents. Washington. D. C. - - - - - - - - - Price 20 cents

FEDERAL TRADE COMMISSION

WILLIAM E. HUMPHREY, *Chairman*
EDGAR A. MCCULLOCH
GARLAND S. FERGUSON, Jr.
CHARLES W. HUNT
OTIS B. JOHNSON, *Secretary*

FEDERAL TRADE COMMISSIONER--1915-1931

Name	State from which appointed	Period of service
Joseph E Davies	Wisconsin	Mar. 16, 1915-Mar. 18, 1918.
William J. Harris	Georgia	Mar. 16, 1915-May 31, 1918.
Edward N. Hurley	Illinois	Mar.16, 1915-Jan. 31, 1917.
Will H. Parry	Washington	Mar.16, 1915-Apr. 21, 1917.
George Rublee	New Hampshire	Mar.16, 1915-May 14, 1916.
William B. Colver	Minnesota	Mar.16, 1917-Sept. 25, 1920.
John Franklin Fort	New Jersey	Mar.16, 1917-Nov. 30, 1919.
Victor Murdock	Kansas	Sept. 4, 1917-Jan. 31, 1924.
Huston Thompson	Colorado	Jan.17, 1919-Sept. 25, 1926.
Nelson B. Gaskill	New Jersey	Feb. 1, 1920-Feb. 24, 1925.
John Garland Pollard	Virginia	Mar. 6, 1925-Sept. 25,1921.
John F. Nugent	Idaho	Jan.15, 1921-Sept. 25, 1927
Vernon W. Van Fleet	Indiana	June 26, 1922-July 31, 1926.
C. W. Hunt	Iowa	June 16, 1924.
William E Humphrey	Washington	Feb.25, 1925.
Abram F. Myers	Iowa	Aug. 2, 1926-Jan. 15, 1929.
Edgar A. McCulloch	Arkansas	Feb.11, 1927.
G. S. Ferguson, Jr	North Carolina	Nov.14, 1927.
Charles H. March	Minnesota	Feb. 1, 1929.

GENERAL OFFICES OF THE COMMISSION

2001 Constitution Avenue, NW.,
Washington

BRANCH OFFICES

45 Broadway
New York
608 South Dearborn Street
Chicago
544 Market Street
San Francisco
431 Lyon Building
Seattle

CONTENTS

PART I INTRODUCTION

Page

Functions and duties of the commission 1
The year's Work and Work on hand 2
How the commission's work is delegated 3
The commissioners and their duties 4
Publications of the commission 6

PART II. GENERAL INVESTIGATIONS

Power and gas utilities 11
Chain stores 21
Cottonseed industry 33
Peanut prices 34
Price bases 36
Cement industry 38
Building materials 38
Bread and flour 39

PART III. SPECIAL PROCEDURE IN CERTAIN TYPES OF ADVERTISING CASES

Extent of magazine and newspaper advertising 43
Publishers Value reader confidence 43
Special board created to handle complaints 44
Procedure of special board outlined 44
Cures and cosmetics lead 46
Board reports on 406 cases 46

PART IV TRADE PRACTICE CONFERENCES

Action on trade conference rules is shown 51
Results attained from the trade conference 51
Requisites of a trade practice conference 52
Trade-practice conference procedure 52

PART V. GENERAL LEGAL WORK

Description of procedure 57
Chart Facing p 58
Legal investigation and review 60
Consolidations and mergers 61
Stipulations 63
Representative complaints 64
Orders to cease and desist 72
Types of unfair Competition 86
Court cases 90
Tabular summary of legal work 117

PART VI. FOREIGN TRADE WORK

	Page
Provisions of Webb-Pomerene law	129
Associations filing papers under the act	129
Webb law exports total	131
Associations review year's work	131
Informal foreign-trade complaints	135
Trust laws and unfair competition in foreign countries	135

PART VII. DOCUMENTS AND SUMMARIES

Fiscal affairs	145
Sherman Antitrust Act	149
Federal Trade Commission act	151
Sections of Clayton Act	157
Export trade act	161
Procedure and policy	163
Rules of practice	165
Proceedings disposed of	171
Complaints pending	183
Stipulations	217
List of trade practice conferences	252
Resolutions directing investigations	255
Investigations, 1913--1932	261
Publications, 1915-1932	271
Index	273

LETTER OF SUBMITTAL

To the Senate and House of Representatives:

The Federal Trade Commission herewith submits to the Congress its eighteenth annual report for the fiscal year July 1, 1931, to June 30, 1932.

PART I. INTRODUCTION

FUNCTIONS AND DUTIES OF THE COMMISSION

THE YEAR'S WORK AND WORK ON HAND

HOW THE WORK IS DELEGATED

THE COMMISSIONERS AND THEIR DUTIES

PUBLICATIONS OF THE COMMISSION

ANNUAL REPORT

OF THE

FEDERAL TRADE COMMISSION

PART I. INTRODUCTION

FUNCTIONS AND DUTIES OF THE COMMISSION

The Federal Trade Commission was organized March 16, 1915, as a result of the passage of the Federal Trade Commission act of September 26, 1914. [1]

The commission is a quasi-judicial and administrative body whose chief functions are (1) to prevent unfair competition, (2) to find facts in aid of legislation, and (3) to report facts in regard to alleged violations of the antitrust laws.

Based on the Federal Trade Commission act, the duties of the commission are divided into two broad classes, legal and economic.

Legal activities have largely to do with prevention and correction of unfair methods of competition in accordance with section 5 of the act in which it is written that "unfair methods of competition in commerce are hereby declared unlawful."

A large part of this annual report is given over to a description of the commission's activities in this field, beginning with "General Legal Work" on page 57 and continuing with "Trade Practice Conferences," page 51, and "Special Procedure in Certain Types of Advertising Cases," page 43. On page 86 will be found a description of many of the types of unfair competition against which the commission has taken action in its cases.

Section 6 (a) of the act gives the commission power "to gather and compile information concerning, and to investigate from time to time, the organization, business, conduct, practices, and management of any corporation engaged in commerce, excepting banks and common carriers, * * * and its relation to other corporations and to individuals, associations, and partnerships."

In pursuance of section 6 the commission conducts general investigations at the request of the President, either House of Congress,

[1] The nucleus of the new agency was the old Bureau of Corporations of the Department of Commerce, which ceased to exist as such upon formation of the commission, although its work was taken over by the commission under what is now the economic division. The legal functions of the commission were brought into being by the act.

and the Attorney General, and makes reports in aid of legislation and in regard to alleged violations of the antitrust acts. More than 70 such inquiries have been conducted in the commission's life, digests of which appear beginning on page 261. Current investigations are reported beginning on page 11.

CLAYTON AND EXPORT TRADE ACTS

Besides its organic act, the commission also administers other acts. It enforces sections 2, 3, 7, and 8 of the Clayton Act, dealing, respectively, with unlawful price discriminations, so-called tying contracts, stock acquisitions which lessen competition or tend to create a mono-poly, and interlocking directorates. (See Consolidations and Mergers, p.61.)

The Webb-Pomerene law, or export trade act, is administered by the commission. It is to promote export trade. It exempts associations of American exporters engaged solely in export trade from the provisions of the antitrust laws. (See p.129.)

THE YEAR'S WORK AND WORK ON HAND

During the year the commission continued seven general business investigations, completing one such inquiry and bringing all the others into the final stages. These investigations and the status of each are described as follows:

GENERAL INVESTIGATIONS

Power and gas utilities.--Public hearings held during fiscal year for six large utility groups, including many of their subsidiaries. Hearings on other groups are to continue throughout the fiscal year of 1932-33. (See p.11.)

Chain stores--All field work has been completed and final reports are now being written. Seven such reports have been issued, six of them printed, and it is likely the reports will be completed in 1933. They are being issued in serial form. (See p.21.)

Cottonseed prices.--Hearings in various southern cities completed during fiscal year and final report is being written. (See p.33.)

Peanut prices.--Final report completed and submitted to the Senate June 30, 1932. (See p.34.)

Price bases.--First report, entitled "The Basing-Point Formula and Cement Prices," transmitted to Congress March 26, 1932. (See p.36.)

Cement industry.--Field examination completed. Report to the Senate now being prepared. (See p.38.)

Building materials.--Field work completed. Report to the Senate now being prepared. (See p.38.)

Bread and flour.--This inquiry was not counted in the above enumerations of seven inquiries, as the report issued during the fiscal year was only to cover certain facts which the commission sought in an investigation conducted six years ago but which the commission did not receive until 1931 as the result of a court decision handed down at that time. (See p.39.)

GENERAL LEGAL WORK

During the year the commission issued 92 complaints against various companies and individuals charging various forms of unfair competition not in the public interest. Sixty-three orders to cease and desist from unfair practices were served on that many respondents. Representative cases of both classes are described, respectively, at pages 64 and 72, while digests of all complaints and orders appear respectively on pages 183 and 171.

Trade-practice conferences.--The report for the fiscal year, showing the number of new conferences held and the number of industries for which trade-practice-conference rules were acted on, is to be found on page 51, while on page 253 is a complete list of the 140 industries for which conferences have been held under auspices of the commission.

False advertising cases.--The commission's special board of investigation handling false and misleading advertising cases acted on 406 cases during the year. The types of advertising involved ranged from those of alleged fat-reducing compounds and cosmetics to those of alleged cures for practically every disease known to medicine.

Export-trade work.--Besides the report on the commission's administration of the export trade act already mentioned, there appears beginning on page 135, a comprehensive review of trust laws and unfair competition in foreign countries.

HOW THE COMMISSION'S WORK IS DELEGATED

The work of the commission may be divided into the following general parts: Legal, general investigations, and administrative.

The legal division has charge of proceedings against unfair methods of competition forbidden by the Federal Trade Commission act and of other practices condemned by the Clayton Act, and with the trial of cases before the commission and in the courts. This work is carried on through the following officials; the chief examiner (for whose functions see pp.57 and 60), the board of review (pp.58 and 61), chief trial examiner (p. 59), and the chief counsel, who is legal adviser to the commission (p. 58). There are also the division of trade practice conferences (p. 51), the special board of investigation for cases of false and misleading advertising

(p.43), and the foreign-trade work, which is under supervision of the chief counsel (p.129). Members of the trial examiners' division are delegated to preside at trial of formal complaints and to sit as special masters in taking testimony in investigations under congressional resolutions, and to arrange settlements of application for complaint, by stipulation. A tabular summary of all legal work begins on page 117.

The economic division, under the chief economist, carries on certain of the general inquiries of the commission, whether directed by the President, by either House of Congress, or by the commission itself. Such investigations are those regarding public utilities, chain-store systems, and price bases. It carries on that part of the public-utilities inquiry which deals with the financial structure, organization, and management of power and gas utilities, although the chief counsel has charge of the examination in public hearings. The chief examiner also cooperates with the economic division in legal aspects of the chain-store study.

The investigations of cottonseed prices, cement industry, and building materials are in the custody of the chief examiner, the chief counsel furnishing an attorney for work on the cottonseed inquiry, and the economic division cooperating in the cement inquiry.

The administrative division, responsible directly to the assistant secretary of the commission, conducts the business affairs of the commission and is made up of units usually found in Government establishments, the functions of such units being governed largely by general statutes. These units are as follows:

Accounts and personnel, disbursing office, docket, publications, editorial service, mails and files, supplies, stenographic, hospital, and the library.

THE COMMISSIONERS AND THEIR DUTIES

The Federal Trade Commission is one of the "independent establishments" of the Government and its control is lodged not in a Cabinet officer but in five commissioners appointed by the President. Not more than three of these members may belong to the same political party, according to the law, in order to make the commission nonpolitical and bipartisan.

The term of office of a commissioner is 7 years, as provided in the Federal Trade Commission act. The first commissioners were designated to continue in office for periods of 3, 4, 5, 6, and 7 years, respectively, from the date the act became effective, but their successors were to be appointed for terms of 7 years. The term of each commissioner dates from the 26th of September preceding the time of his appointment, September 26 marking the day of passage of the act in 1914.

The commission, at the close of the fiscal year, was composed of the following members: William E Humphrey, of Washington, chairman; Charles H. March, of Minnesota; Edgar A. McCulloch, of Arkansas; Garland S. Ferguson, jr., of North Carolina; and C. W. Hunt, of Iowa.

Commissioner Humphrey, whose first term would have expired September 26, 1931, was given a recess appointment for a second term by President Hoover June 30, 1931, and was renominated December 10. The appointment was confirmed by the Senate January 27, 1932. Mr. Humphrey was chosen by the commission as its chair-man for the calendar year 1932, succeeding Commissioner Hunt. Each January a member of the commission is designated to serve as chairman for the succeeding year. The position rotates, so that each commissioner serves at least one year during his term of office.

The chairman presides during meetings of the commission and signs the more important official papers and reports at the direction of the commission.

Official activities of the commissioners are generally similar in character, although each assumes broad supervisory charge of a different division of work. One commissioner maintains contact with the chief counsel and his staff; another keeps in touch with administrative functions and with the hoard of review, while trade-practice conferences, the trial examiners' division, and the special board of investigation make up the field of a third commissioner. A fourth and fifth commissioner have assigned to them, respectively, the economic division and the chief examiner's office.

However, all matters scheduled to be acted upon by the commission are dealt with by the board as a whole or a quorum thereof; consequently, the facts in all cases to come before the whole body are previously placed before the commissioners individually for their consideration.

The commissioners meet regularly for transaction of official business Mondays, Wednesdays, and Fridays, except in July and August, when sessions are held only on call. They also conduct oral hearings, such as final arguments in cases before the commission and hearings on motion of the attorneys for either the commission or respondents. Besides these duties and their conferences with persons discussing official business, the members have a large amount of reading and study in connection with the numerous cases before them for decision.

The commissioners also conduct trade-practice conferences held for industries in various parts of the country. One of them usually presides at such a conference.

The commission has a secretary, who is its executive officer.

PUBLICATIONS OF THE COMMISSION

Publications of the commission, reflecting the character and scope of its work, vary in content and treatment from year to year, especially those documents relating to general business inquiries.

Such studies are illustrated by appropriate charts, tables, and statistics. They deal not only with current developments in an industry but contain scientific and historical background that proves to be valuable not only to members of the industry under consideration but to the student and the writer. Many of these reports have been used as textbooks in universities and colleges.

The findings and orders of the commission as published contain interesting material regarding business and industry. They tell, case by case, the story of unfair competition in interstate commerce and of the efforts put forth by the commission to correct and eliminate it.

Wide discretion in issuing publications is given the commission by law. The Federal Trade Commission act, section 6 (f), says the commission shall have power--

> To make public from time to time such portions of the information obtained by it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest; and to make annual and special reports to the Congress and to submit therewith recommendations for additional legislation; and to provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use.

A complete list of all publications of the commission, 1915-1932, may be found on page 271.

COMMISSION APPROPRIATIONS AND EXPENDITURES ARE REDUCED

The Federal Trade Commission, like other governmental bodies, has undergone drastic reductions in appropriations and expenditures. While the amount available to the commission for the fiscal year ending June 30, 1932, was $1,838,097, the amount available for 1933 was $1,396,719. [2]

This reduction made necessary the dismissal or furlough of 84 employees out of a total of 511 following the close of the fiscal year. Most of these were “temporary” employees who had worked on the power and chain-store investigations.

The total personnel was 511 as of June 30, 1932, including commissioners. Following the reductions in personnel, the total was 427 persons.

DECISION IN ELECTRIC BOND & SHARE CO. CASE

A recent development of importance to the commission its power investigation is the decision handed down August 19, 1932,

2 The commission’s financial statement for the fiscal year appears on p.145.

by Judge Knox in the United States District Court of Southern New York in the case of the commission against Electric Bond & Share Co. This grew out of the company's resistance to the commission's efforts to obtain certain books of accounts. The decision is quoted in part on page 95.

AMENDMENT OF ORGANIC ACT AGAIN SUGGESTED

Renewal is made of the suggestion in the last three annual reports for an amendment to the commission's Organic act to put beyond question the grant of specific authority to the commission to make investigations, upon request of the President or of either House of the Congress in aid of its legislative function; and it is suggested that such an amendment might also set at rest any doubt as to the applicability of the provisions of section 9 of the act to such investigations and those authorized under section 6 (d) of the act (providing for investigations of alleged violations of the antitrust acts upon direction of the President or either House of Congress) .

COMMISSION MOVES ITS OFFICES

In September, 1932, the commission moved its executive offices in Washington from 1800 Virginia Avenue NW. to a large building at Constitution Avenue and Twentieth Street (2001 Constitution Avenue NW.), where part of its force had been quartered since the fire of August 30, 1930. The entire personnel is now in a single building for the first time since the fire.

PART II. GENERAL INVESTIGATIONS

POWER AND GAS UTILITIES

CHAIN STORES

COTTONSEED PRICES

PEANUT PRICES

PRICE BASES

CEMENT INDUSTRY

BUILDING MATERIALS

BREAD AND FLOUR

PART II. GENERAL INVESTIGATIONS

POWER AND GAS UTILITIES

HOLDING COMPANIES--FINANCIAL STRUCTURE AND PRACTICES

Pursuant to Senate Resolution 83, Seventieth Congress, First session, and section 6 of the Federal Trade Commission act,[1] the Commission continued its investigation of large utility holding companies, subholding companies, and numerous typical operating companies. The investigation is being conducted to ascertain and report the facts as to their complicated financial structures, the growth of capital assets and capital liabilities, methods of issuing various stocks and securities and the cost thereof, including organization expenses, commissions, discounts, and redemption charges, and including the capitalization of management and other types of supervisory and controlling contracts, creation and use of capital surplus, payments of dividends, and other practices. The pertinent facts relating to the various forms in use from time to time of management, supervision, servicing, engineering, construction and financing contracts, are also being ascertained. [2] Further examinations have been made by an engineer-examiner of the physical condition and efficiency of the plants and the equipment of the operating companies as well as of the organization and efficiency of management.

During the fiscal year public hearings have been held beginning on the dates indicated, and testimony and reports presented on the following groups and companies:

1 Full text of the resolution appears on p.255.

Section 6 of the Federal Trade commission act provides that-" The commission shall have power--

(a) To gather and compile Information concerning, and to investigate from time to time, the organization, business, conduct, practices, and management of any corporation engaged in commerce, excepting banks and common carriers subject to the act to regulate commerce, and its relation to other corporations and to individuals, associations, and partnerships.

* * * * * * *

"(d) Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust acts by any corporation."

2 No report of its conclusions and recommendations has yet been made by the commission on this investigation.

Company	Hearings began
ASSOCIATED GAS & ELECTRIC CO. GROUP	
Associated Gas & Electric Co	June 14,1932
ELECTRIC BOND & SHARE CO. GROUP	
Arkansas Power & Light Co	Mar. 22, 1932
Louisiana Power & Light Co	Mar. 23, 1932
Mississippi Power & Light Co	Mar. 22, 1932
Nebraska Power Co	Mar. 9, 1932
Utah Power & Light Co	June 16, 1932
Western Colorado Power Co	June 16, 1932
MIDDLE WEST UTILITIES CO. (INSULL) GROUP	
Central Illinois Public Service Co	Apr. 5, 1932
Arkansas-Missouri Power Co	May 18, 1932
Electric Management & Engineering Corporation	Feb. 3, 1932
Middle West Utilities Co	Dec. 1, 1931
Mississippi Valley Utilities Investment Co	Dec. 9, 1931
L.E. Myers Co	Dec. 4, 1931
National Electric Power Co	Jan. 28, 1932
National Pu bile Service Corporation	Feb. 4, 1932
Florida Power Corporation	Feb. 24,1932
Georgia Power & Light Co	Apr. 6, 1932
Tide Water Power Co	Feb. 16, 1932
New England Public Service Co	Mar. 16, 1932
National Light, Heat & Power Co	June 7, 1932
Twin State Gas & Electric Co	June 8, 1932
North West Utilities Co	Dec. 8, 1931
United Public Service Co	Dec. 10, 1931
United Public Utilities Co	Do.
NORTH AMERICAN CO. GROUP (Engineering report only)	
Great Western Power Co. of California	Jan. 12, 1932
Midland Counties Public Service Corporation	Do.
Pacific Gas & Electric Co	Do.
Ban Joaquin Light & Power Corporation	Do.
Western Power Corporation	Do.
NORTH AMERICAN LIGHT & POWER CO. (MCKINLEY-STUDEBAKER) GROUP	
North American Light & Power Co	Dec. 15, 1931
STANDARD GAS & ELECTRIC CO. (BYLLESBY) GROUP	
Ivyton Oil & Gas Co. (Kentucky)	Oct. 30, 1931
Ivyton Oil & Gas Co. (Delaware)	Nov. 9, 1931
Kentucky Coke Co	Oct. 29, 1931
Kentucky Pipe Line Co. (Kentucky)	Oct. 30, 1931
Kentucky Pipe Line Co. (Indiana)	Do.
Louisville Gas & Electric Co. (Delaware)	Oct. 28, 1931
Louisville Gas & Electric Co. (Kentucky)	Oct. 29, 1931
Louisville Gas & Electric Securities Co	Nov. 9, 1931
Louisville Hydro-Electric Co	Oct. 30, 1931
Madison Light & Power Co	Nov. 9, 1931
Minneapolis General Electric Co	May 5, 1932
Northern States Power Co. (Delaware)	Apr. 26, 1932
Oklahoma Gas & Electric Co	Oct. 14, 1931

From the beginning of the investigation to the end of this fiscal year groups and

companies with an aggregate gross revenue for 1929 of more than $1,044,000,000 have been made the subjects of examinations at public hearings under the Senate resolution. The testimony and exhibits of these companies have been or are being printed in volumes as a part of Senate Document No.92, Seventieth Congress, first session. The list is as follows:

Name of company	Testimony and exhibits reported
American Gas & Electric Co	Parts 21 and 22.
Appalachia Electric Power Co	Do.
Indiana & Michigan Electric Co	Do.
Ohio Power Co	Do.
The Scranton Electric Co	Do.
Associated Gas & Electric Co	Part 45.
Electric Bond & Share Co	Parts 23 and 24.
American Power & Light Co	Do.
Inland Power&Light Co	Part 35.
Minnesota Power& Light Co	Part 26.
Nebraska Power Co	Part 41.
Northwestern Electric Co	Part 35.
Pacific Power & Light	Do.
Washington Water Power Co	Part 29.
Electric Bond & Share Securities Corporation	Parts 23 and 24.
Electric Investors (Inc.)	Do.
Electric Power & Light Corporation	Do.
Arkansas Power & Light Co	Part 42.
Idaho Power Co	Part 35.
Louisiana Power & Light Co	Part 43.
Mississippi Power & Light Co	Part 42.
Utah Power & Light Co	Part 45.
Western Colorado Power Co	Do.
National Power & Light Co	Part 25.
Carolina Power & Light Co	Part 26.
Phoenix Utility Co	Parts 23 and 24.
Phoenix Utility Co. (Minnesota Operations)	Part 35.
Two Rector Street Corporation	Parts 23 and 24.
W.B. Foshay Co	Part 25.
Foshay Building Corporation	Do.
Investors National Corporation	Do.
Public Utilities Consolidated Corporation	Do.
Middle West Utilities Co	Part 38.
Central Illinois Public Service Co	Part 44.
Electric Management and Engineering Corporation	Part 40.
Mississippi Vauay Utilities Investment Co	Part 38.
L.E.MyersCo	Do.
National Electric Power Co	Part 40.
National Public Service Corporation	Do.
Florida Power Corporation	Parts 41 and 42.
Georgia Power & Light Co	Part 42.
Tide Water Power Co	Part 41.
Tide Water Power Co. (properties and operation)	Part 44.
New England Public Service Co	Part 42.
National Light, Heat & Power Co	Part 44.
Twin State Gas & Electric Co	Do.
North West Utilities Co	Part 38.
New England Power Association	Parts 31 and 32.
Deerfield Construction Co	Do.
New England Power Co	Do.
New England Power Construction Co	Do.
Power Construction Co	Do.
International Paper & Power Co	Do.
Sherman Power Construction Co	Do.
Connecticut Valley Power Exchange	Do.
North American Co	Parts 33 and 34.
Central Mississippi Valley Electric Properties	Do.
Great Western Power Co. of California	Part 39.
Midland Counties Public Service Corporation	Do.
Mississippi River Power Co	Parts 33 and 34.
North American Edison Co	Do.
Pacific Gas and Electric Co	Part 39.
Union Electric Light & Power Co	Parts 33 and 34.
Union Electric Light & Power Co. (Illinois)	Do.
San Joaquin Light & Power Corporation	Part 39.
Western Power Corporation	Parts 33 and 34.
Do	Part 39.
North American Light & Power Co	Do.
Southeastern Power & Light Co	Part 27.
Alabama Power Co	Part 30.
Georgia Power Co	Part 28.
Standard Gas & Electric Co	Part 36.
Louisville Gas & Electric Co	Parts 37 and 38.
Louisville Gas & Electric Securities Co	Part 37.
Minneapolis General Electric Co	Part 43.
Northern States Power Co	Do.
Oklahoma Gas & Electric Co	Part 36.

PROCEDURE AND SCOPE OF INQUIRY

The testimony presented is chiefly that of the commission's own examiner experts who have personally examined the accounting and other records of the various holding company groups, and studied such records and the financial and engineering policies and practices, as well as the supervisory control by the holding companies upon their operating companies under various forms of supervision contracts. Occasionally officers of the corporations have been called to testify on special or specific points. At all hearings counsel representing the corporations whose records and transactions are under discussion have been present with full privilege to present objections, to cross-examine, and to offer testimony in behalf of such corporations.

The hearings during the last fiscal year have covered chiefly the financial control, management, organization, and operations of Operating electric and gas utility companies doing an interstate or international business, and their holding companies, including (1) growth of capital assets and capital liabilities, (2) the issues of securities, and the proceeds and expenses of such issues, (3) capital and other surplus, how created and used, (4) operating, overhead, and other expenses, (5) earnings and dividends, including stock dividends, (6) the extent to which such bolding companies or their stockholders control or are financially interested in their subsidiary operating public utilities and other companies, and the relation one to the other of such corporations, (7) the various services furnished to their operating utility corporations by the holding companies and their affiliated and controlled companies, and the fees, commissions, bonuses, and other charges and the costs thereof and the profits therefrom, (8) the value or detriment to the public of such holding companies, particularly with relation to the financial and operating policies, including charges imposed by them upon their operating companies, and (9) the rates for service to various classes of customers.

Reports have also been presented at the hearings dealing with intercorporate relations, management, supervision, and servicing, including for each group, methods of control through stock owner-ship and supervisory contracts, identical stockholders, identical directors, directors who are employees, identical officers, officers who are employees, conduct of meetings by proxy holders who are directors, officer's, or employees, and also reports stating the interstate transmission of electric energy.

TESTIMONY AND EXHIBITS ARE PRINTED

The testimony and exhibits brought out by the investigation of the publicity and propaganda which has been conducted through utility associations are printed in parts 1 to 20 of the Senate print, together with accompanying volumes of exhibits with some additional material in part 35. The expenditures for the publicity work conducted by the public-relations sections of the several groups and companies are being presented in connection with other testimony and facts touching each such group and company.

Records of the hearings, including transcripts of testimony and re ports and charts introduced as exhibits are, in accordance with the Senate resolution, transmitted to the Senate on the 15th of each month. Those so transmitted during the present fiscal year have been or are being printed as Senate Document No.92, Seventieth Congress, first session, parts 36 to 45, inclusive, as shown in list above.

FIELD INVESTIGATION IN PROGRESS IN 1931-32

The field examination of the business and relations of various electric and gas public-utility companies continued throughout the year, partly in broadening the previous inquiry into particular groups on which hearings have already been held, but especially in extending the inquiries into groups which have not yet been considered in the hearings.

Six of these groups are among the most important in either the electric power or the gas industries.

They are: Cities Service Co. group (Doherty), Niagara Hudson Power Corporation group (Morgan), Columbia Gas & Electric Corporation group (Morgan), Central & Southwest Utilities Co. (Insull), Associated Gas & Electric group, and United Gas Improvement Co. group (Morgan).

It is estimated that in the production of electric energy, the combined output of these six groups in 1930 was more than 16 per cent of the total for the United States with an interstate or international movement of about 29 per cent of their production. These six are probably of even greater relative importance in the production of gas. The true measure of the importance of these companies for the purposes of this inquiry is not, however, in their proportion of the total production, but rather in the important light their history throws on various problems of the control and management of public utilities.

SCOPE OF PUBLIC HEARINGS IN 1931-32

Hearings Were held during the fiscal year ended June 30, 1932, on certain companies controlled by Standard Gas & Electric Co. (Byllesby group), Middle West Utilities Co. (Insull group), Electric Power & Light Corporation and American Power & Light Co. (Electric Bond & Share group), North American Light & Power Co., and Associated Gas & Electric Co. These hearings covered various holding and management companies and also some of the operating companies within these several groups. Taking these five groups as a whole, they generated more than 17,500,000,000 kilowatt hours of electric energy in 1930 or more than 18 per cent of the total quantity generated in the United States for that year. In connection with the operations of these five groups, about 3,000,000, 000 kilowatt hours, or about 17 per cent of the total, moved in interstate commerce.

ASSOCIATED GAS & ELECTRIC Co.

Hearings on Associated Gas & Electric Co. were begun near the close of the fiscal year ended June 30, 1932. The Associated Gas & Electric System is controlled by Associated Gas & Electric Properties, a Massachusetts voluntary association, which in turn is controlled by H. C. Hopson and J. I. Mange. Associated Gas & Electric Co. controlled close to 180 operating companies, December 31, 1929.

Its electric and gas companies operate in 22 States, as follows: New Hampshire, Vermont, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Maryland, West Virginia, Delaware, South Carolina, Florida, Ohio, Indiana, Illinois, Kentucky, Tennessee, Oklahoma, Arkansas, Arizona, Texas, and Louisiana, also in the Maritime Provinces of Canada and in the Philippine Islands.

The total operating revenues of companies in the system from electric, gas, water, transportation, and other services aggregated $68,903,253.63 in 1929. The total income of the holding company Associated Gas & Electric Co., in 1929, was $48,815,755.62.

The consolidated balance sheet of Associated Gas & Electric Co. as of December 31, 1929, showed a total of $673,174,481.10 for “Plant, property, and franchises,” and total assets of $962,117,862.28. The Associated Gas & Electric Co. and subsidiaries had outstanding long-term debt of $468,509,769.62 on that date, $71,481,104.17 in preferred stock, and $240,689,960.82 of different classes of common stock, trust certificates, etc.

The hearings on this group were only just begun and reports on numerous subsidiary companies are to follow.

MIDDLE WEST UTILITIES Co. GROUP (INSULL)

Hearings were held during the fiscal year on the following companies in the Middle West Utilities Co. group, the chief holding company of the so-called Insull group: Middle West Utilities Co., L. E. Myers Co., North West Utilities Co., Mississippi Valley Utilities Investment Co., United Public Service Co., United Public Utilities Co., Kentucky Power Co., National Electric Power Co., Electric Management & Engineering Corporation, National Public Service Corporation, New England Public Service Co., Central Maine Power Co., Georgia Power & Light Co., Florida Power Corporation, Tide Water Power Co., Commonwealth Light & Power Co., Androscoggin Corporation, Androscoggin Electric Co., Arkansas-Missouri Power Co., East Missouri Power Co., Central Illinois Public Service Co., Inland Power & Light Corporation, National Light, Heat & Power Co., and the Twin State Gas & Electric Co.

The utility companies in the Middle West group as of December 31, 1930, operated in Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, and in the Dominion of Canada.

The gross operating revenues in 1930, of the utilities in the group amounted to $182,213,975. The fixed capital of the utilities on December 31, 1930, after deduction of depreciation and depletion reserves, was valued on the companies books at $952,574,784, of which utilities valued at $9,121,967 were in Canada. Against that fixed capital and other assets, there were outstanding $566,665,220 of funded debt, $153,245,513 of preferred stocks, $295,903,114 of common stocks and $370,205 of paid subscriptions to capital stocks. Certain subholding companies had outstanding $1,664,321 of bonds, $77,274,949 of preferred stocks, and $72,782,599 of common stocks, against which they held as assets certain of the securities enumerated in the preceding sentence. Middle West Utilities Co. itself, the apex holding company, held investments valued on its books at $249,774,782; and it had outstanding $50,000,000 of convertible notes, $60,756,382 of preferred stock and $142,042,260 book valuation of common stock with additional valuation of $22,115,762 designated as capital surplus.

The utility companies on which hearings were held had gross revenues in the last year covered by the examinations aggregating $81,393,648. Their fixed capital had a total ledger valuation of

$486,415,640, against which fixed capital and other assets there were outstanding $303,173,100 of bonds, $51,636,527 of preferred stocks, $22,159,279 of common stocks, and $137,824,729 of other capital Stocks (partly preferred, partly common). Certain subholding companies also had outstanding $21,934,474 of preferred stocks and $32,510,425 of common stocks against which they held as investments certain of the securities enumerated in the preceding sentence.

About one-third of the material on this group remains to be presented in future hearings.

The facts developed in this investigation gain added interest, particularly as to alleged earnings and surpluses, in view of the fact that the Middle West Utilities Co. and a number of its allied companies are now in the hands of receivers. It should be noted, how-ever, that the examiners of the commission were not given access to the books and records of Insull, Son & Co. (Inc.) and Insull Utility Investments (Inc.), which were the first to go into receivership.

STANDARD GAS & ELECTRIC Co. GROUP (BYLLESBY)

During the fiscal year hearings were held on Standard Gas & Electric Co., inclusive of the chief operations of Mississippi Valley Gas & Electric Co., Utilities Investment Co., Standard Power & Light Corporation (Maryland) , Standard Power & Light Corporation (Delaware) , and California Power Corporation, also upon the following subsidiary holding and/or operating companies: Oklahoma. Gas & Electric Co., Louisville Gas & Electric Co. (Delaware) , Louisville Gas & Electric Co. (Kentucky) , Kentucky Coke Co., Kentucky Pipe Line Co. (Kentucky) , Kentucky Pipe Line Co. (Indiana) , Louisville Hydro-Electric Co., Madison Light & Power Co., Ivyton Oil & Gas Co. (Kentucky) , Ivyton Oil & Gas Co. (Delaware) , Northern States Power Co. (Delaware) , Northern States Power Co. (Minnesota), inclusive of Northern States Securities Corporation, and the Minneapolis General Electric Co.

The operating companies on which hearings were held operate in Minnesota, North Dakota, South Dakota, Iowa, Wisconsin, Illinois, Indiana, Kentucky, West Virginia, Oklahoma, and Arkansas.

Their gross revenues during 1929 amounted to $59,930,830. As of December 31, 1929, their bonded indebtedness was $166,985,523, and they had outstanding $107,987,900 of preferred, $53,165,700 of common stock with par value, and 1,630,489 shares of common stock without par value. The total fixed capital of these operating companies at the end of 1929 was $335,977,236.

Standard Gas & Electric Co., itself , the apex holding company, received in 1929 a gross income of $14,164,646, of which $13,886,756 was net; and the book valuation of the total investment in its busi-

ness at the end of 1929 was $183,146,684, of which $163,550,214 was reflected in the book valuation of its investments.

Standard Gas & Electric Co. controlled other subholding and operating companies with properties in Pennsylvania, West Virginia, Kentucky, Wisconsin, Michigan, Montana, Wyoming, Colorado, Idaho, Washington, Oregon, California, and Mexico. All together, the company's utility subsidiaries owned properties and operated in 20 States and in Mexico.

The aggregate gross operating revenues of the operating companies, inclusive of oil and refining companies, amounted to $172,-702,748 in 1929. The aggregate funded debt of the holding company and its subsidiaries that was held by the public at the end of 1929 was $472,259,272; and there were outstanding preferred stocks with a ledger valuation of $292,718,660 and common stocks with a ledger valuation of $131,498,543. The consolidated surplus was $50,584,837. The fixed assets of these companies at the end of 1929 had a ledger valuation, after deduction of retirement reserves, of $890,759,234. Other assets brought the total up practically to $1,000,000,000.

The hearings on this group have been almost completed. A report on one more important company in the group is being prepared for presentation.

NORTH AMERICAN LIGHT & POWER Co.

As of December 31, 1930, the North American Light & Power Co. was controlled by three voting trustees; namely, Frank L. Dame, president of the North American Co., Samuel Insull, chairman of the board of Middle West Utilities Co., and Clement Studebaker, jr., president of North American Light & Power Co. Approximately 90 per cent of the common or voting stock is pledged under the voting trust agreement. Middle West Utilities Co. and the North American Co. each owned or controlled approximately 46 per cent of the stock in the voting trust and Clement Studebaker, jr., owned or controlled the remaining 8 per cent.

Subsidiaries of North American Light & Power Co. operate in Illinois, Iowa , Kansas, Missouri, and Nebraska.

On December 31, 1930, the fixed capital of wholly owned subsidiaries had a ledger value of $291,039,377, and the company's investments in the securities of companies in which it owned a minority interest amounted to $17,563,119, or a total fixed capital and investments of $308,602,496 for the system. The aggregate gross earnings from operations of the group were $47,157,845 in 1930.

North American Light & Power Co. and subsidiaries had outstanding at the end of 1930, $170,210,400 of funded debt, $82,641,940 stated

value of preferred stock, and $39,527,350 stated value of common stock.

The work on this group has been comparatively restricted. A report on one important operating and on one subholding company in the group remains to be introduced in the hearings.

ELECTRIC BOND & SHARE Co. GROUP

During the fiscal year hearings were held on Nebraska Power Co., a subsidiary of American Power & Light Co., and the following subsidiaries of Electric Power & Light Corporation: Arkansas Power & Light Co., Louisiana Power & Light Co., Mississippi Power & Light Co., Utah Power & Light Co. and its subsidiary, Western Colorado Power Co. American Power & Light Co. and Electric Power & Light Corporation belong to the Electric Bond & Share Co. group. These companies, and their subsidiaries, operate in Nebraska, Iowa, Arkansas, Louisiana, Mississippi, Idaho, Utah,. Wyoming, and Colorado.

The aggregate gross revenues of these six operating companies for 1930, were $38,011,441. As of December 31, 1930, their bonded in debtedness was $128,007,500 and they had $65,853,599 of preferred and $58,500,000 of common stock outstanding. The ledger value of the total fixed Capital of these six operating companies, at the end of 1930, was $241,858,967.

Completion of the investigation of this group was still being held up at the close of the fiscal year, particularly as to exact costs and profits of its managerial, servicing , and supervisory contracts,[3] pending a decision of the commission's suit in the United States District Court in the Southern District of New York to compel production and inspection of operating expense ledgers and accounts. This decision was handed down August 19, 1932. Further details may be read on page 95.

INTERSTATE TRANSMISSION OF ELECTRIC ENERGY AND GAS

At each hearing on a holding company group reports are presented showing in detail the quantities of electric energy and gas, which are produced, sold, and transmitted across States lines by operating companies controlled by the group. Such information for both industries, so far as controlled by holding companies, has been collected for the calendar year 1930. The data are also in process of tabulation for more general use and this tabulation for 1930 was nearly completed during the year, although delayed by the late receipt of

[3] The necessary relationship between cost of rendering such services and the fees collected therefor was recently pointed out by the United States Supreme Court In Smith *v.* Illinois (282 U. 5.138).

certain returns. Returns for all groups had been received prior to July 1, except for one gas group of moderate size, which was promised soon.

It is believed that a collection and compilation of data for 1932, similar to that for 1930, will be desirable for the purposes of the public-utility inquiry. It is not intended to cover the year 1931. By utilizing the 1929 returns obtained on a broader basis under the Senate resolution calling for inquiry into interstate movement of electric energy, it is possible that trends as regards the proportionate volume of interstate movement will be definitely indicated. The gas data will not afford such a good foundation for a conclusion of this nature, although it may be expected to cover practically all the interstate movement of gas. The compilation of the data for 1932, when compared with 1929 data, will doubtless tend greatly to in-crease the correctness and adequacy of the information, for whatever use.

REMAINING WORK OF THE INVESTIGATION

It is planned that the field work of the entire investigation shall be completed during the fiscal year 1932--33. The ground covered by the entire inquiry into the financial and economic problems of the industry will comprise most of the large holding company groups and a few of the smaller ones. Most of the principal holding, management, and servicing companies in each of these groups will also be covered together with sampling of the operating companies. The total of the material collected will, it is believed, represent a good cross-section sample of the conditions among such companies in the electric utility field, which, in the aggregate, represented in 1929 more than 45 per cent of the total output for the United States, and more than 80 per cent of the electric energy sold by privately owned electric utilities doing an interstate or international business. The gas utility field is much less fully covered, but it is becoming a subject of increasing interest on account of the recent development in natural gas production and the great extensions of interstate pipe lines for gas

CHAIN-STORE INQUIRY

SIX ADDITIONAL REPORTS ARE SENT TO CONGRESS

Work on the chain-store inquiry [4] during the fiscal year comprised the writing of six reports on different phases of chain-store operation and the preparation of field and schedule data for several other reports on the economic and legal aspects of the inquiry now in the

[4] The investigation was undertaken pursuant to S. Res. 224, 70th Cong., 1st sess.,[1] and to see. 6, Federal Trade Commission act.

course of preparation. At the close of the preceding fiscal year, a comprehensive report on cooperative grocery chains was sent to Congress. During the last year the following additional reports were completed:

Scope of chain-store inquiry.
Sources of chain-store merchandise.
Wholesale business of retail chains.
Chain-store leaders and loss leaders.
Cooperative drug and hardware chains.
Growth and development of chain stores.

The principal features of these reports are described herein. Reports in draft form as of June 30, 1932, embrace such important subjects as private brands [5] of chain stores, wages of chain-store employees, chain-store advertising, chain-store manufacturing, service features, pricing policies of chain stores, costs, profits, and margins of chain stores, comparative prices, margins of chain and independent stores, and manufacturers' discounts and allowances to chain stores.

The basic tabulations of financial data in the chain-store schedules had been completed and the writing of reports on margins, profits, expenses, and rate of return on investment was under way at the end of the fiscal year. The reports on these important phases of chain-store business cover a substantial majority of chain-store operations as measured both by number of stores operated and by volume of sales. As with reports already released , this financial information covers chain stores in 26 different kinds of business.

PRICE AND MARGIN STUDY NEARS COMPLETION

By the end of the fiscal year the compilation of data for the analysis of comparative costs and prices of commodities handled by chains and independent dealers in five cities Was nearing completion. Approximately 1,200,000 retail price quotations obtained from about 6,000 grocery and drug stores in the five cities were carded and tabulation of these data on Hollerith machines was begun in October, 1931. More than 400 grocery items and approximately 450 drug items were included in this comparison of chain and independent selling prices.

In addition to the retail prices of these commodities, the purchase prices to chains, wholesalers, and cooperative wholesalers were obtained in the five cities. Tabulation of these data was practically completed during the year for grocery items and was in progress at the end of the year for the drug items.

5 The report on "Chain Store Private Brands" was made public i summary form, Sept. 26, 1932.

Schedules covering discounts and allowances made by manufacturers to chain stores, wholesalers , cooperative chains, and individual retailers were sent out to 866 grocery manufacturers, 911 drug manufacturers, and 299 tobacco manufacturers. Schedules asking for discounts received from manufacturers were sent to 181 important chain-store organizations. The information derived from these schedules will permit making a comparison of manufacturers' selling prices to the three types of distributors mentioned. Taken in conjunction with the retail price data in the five cities, these figures will show margins between the manufacturer's selling prices and the consumer's buying prices through chain stores on a large number of the specific commodities in comparison with similar margins on the same commodities handled through independent dealers.

In general, the response of manufacturers and chain stores to these schedules on discounts and allowances has been satisfactory.

LEGAL ASPECTS OF THE INVESTIGATION

That part of the chain-store investigation, involving legal questions, was assigned March 6, 1931, to the commission's chief examiner, and has been carried on throughout the fiscal year, 1931-32.

At the beginning of the year a form letter was sent to some 134 of the larger chain-store Companies, in the various commodity groups, seeking information as a foundation for answering that part of the Senate resolution [6] which inquires as to the extent to which consolidations of chain stores have been effected in violation of the antitrust laws. Replies were received from all except five of the chains, and of those replying 116 furnished answers to the questions propounded. These answers have been tabulated and compiled as the foundation for a report.

The decisions of the commission and courts have been reviewed and jurisdictional questions have been studied. Special consideration has been given to questions of interstate commerce, acquisitions of capital stock by one corporation of a competing corporation, monopoly, tendency to monopoly, restraint of trade, and unfair trade practices, all as applied to chain-store activities and based on the facts developed in this investigation by the commission.

State laws have been studied to ascertain the extent to which regulatory provision is made within the States analogous to that provided nationally by the Federal antitrust laws. This study has covered regulation of trusts and monopolies and the correction of unfair trade practices, and, in addition, that special legislation aimed solely at the taxation and regulation of chain stores.

6 The senate resolution directing the chain store inquiry appears on p.256.

The data obtained by the commission's economic division on manufacturers' discounts and allowances were reviewed, and where necessary this information was supplemented by field work to obtain the facts particularly applicable to the legal question involved in that part of the resolution relating to quantity prices. Four men have been in the field interviewing close to 200 manufacturers, and it is expected they will complete their work soon.

REPORTS TO CONGRESS ARE BRIEFLY DESCRIBED

Brief descriptions of the salient features of the reports issued during the fiscal year are given below.

l. SCOPE OF THE CHAIN-STORE INQUIRY

The report on the scope of the chain-store inquiry serves as a general introduction to the series of reports, defines the terms employed, and outlines the field covered by the inquiry.

The letter of submittal defines the term " chain" or "chain store" as applying to--

> Organizations owning a controlling interest in two or more establishments which sell substantially similar merchandise at retail. This definition has been made without reference to the extent of centralization in management, size of the chain, location of units, or particular management policies.

Outlining the fields covered , the letter continues--

> Because of the apparent intention of the inquiry, certain of the more highly specialized kinds of chains * * * were excluded from the analysis, and the study was confined to 12 major classes of chains which, with their subgroups, constitute a total of 20 types of organizations, as follows: Grocery; grocery and meat; meat; confectionery; drug; tobacco; dollar limit; five-dollar limit, and unlimited variety; men's, women's, and men's and women's ready-to-wear; men's furnishings; women's accessories; hats and caps; millinery; men's, women's, and men's and women's shoes; dry goods; dry goods and apparel; department store; general merchandise; furniture; musical instruments; and hardware.

The 1,727 chains returning original schedules for tabulation operated 66,246 stores on December 31, 1928, and reported total 1928 net retail sales of more than five billion dollars. For 1,278 chains reporting on the supplementary schedule the number of stores operated on December 31, 1930, was 68,161, and the 1930 net sales were just short of five and a half billions. Practically one-half of the stores and more than one-third of the total reported sales of chains sending returns to the commission were submitted by chains engaged in the grocery-and-meat business , although less than 11 per cent of the total number of chains reporting belonged to this group. More than half the chains reporting are found in the 2-to-5 store group. These small chains, however, operate less than 5 per cent of the

stores. In contrast, chains with 1,000 stores or more comprise less than 1 per cent of the chains, and account for approximately one-half the stores and about 40 per cent of the total sales.

The classification by census geographic divisions shows the most extensive chain development in the Middle Atlantic and East North Central sections, while the East South Central and the Mountain sections show the least development.

The commission's study represents approximately one-half of the number of stores operated and one-half of the aggregate sales volume of all organizations engaged in chain-store merchandising in 1929 in the 26 kinds of business covered by this inquiry, including chains of two and three stores, which are not classed by the census as chain stores.

2. SOURCES OF CHAIN-STORE MERCHANDISE

The report on sources of chain-store merchandise shows the ex-tent to which chains in the several kinds of business buy their merchandise from original sources or through middlemen; that is, from manufacturers, growers, and growers' organizations, or through brokers, commission men, wholesalers, and jobbers. It is shown that 92 per cent of all reporting chains patronize manufacturers and obtain 75.5 per cent of their purchases from that source. Wholesalers supply 7.9 per cent of the goods purchased by chains, brokers, and commission men supply 7.3 per cent, and growers and their organizations 7 per cent.

Buying from wholesalers is quite generally practiced by chains, the report shows. While less than 8 per cent of their total merchandise is so purchased, 77 per cent of the reporting chains patronize that source. Smaller chains rely to a larger extent upon wholesalers than do the large chains, but the proportions of total number of chains buying some merchandise from this source is substantial even among the larger chains. All of the reporting drug, dry goods, general-merchandise and unlimited-price variety chains buy from wholesalers, and in seven other kinds of business more than 90 per cent of the chains do so. Grocery chains buy 12.4 per cent of their purchases from wholesalers, and the grocery and meat chains (excluding the two largest companies in that field) purchase 17.3 per cent from that source. Hardware chains report upwards of 40 per cent of their purchases coming from wholesalers.

In general, the report shows, the wearing-apparel chains buy the largest proportion from manufacturers' while the grocery groups buy smaller proportions from direct sources and a relatively large proportion from brokers and commission men (14.2 per cent).

126056---32-----3

Larger chains buy larger proportions of their merchandise from direct sources--manufacturers and growers-than do the smaller chains. Grocery and meat chains, for example, purchase 32.7 per cent from these two sources in the group operating from 2 to 5 Stores, while the chains of more than 1,000 stores buy almost 85 per cent from these direct sources.

Between 1922 and 1928 the direct buying of chains reporting for both years showed a moderate increase. Purchase from manufacturers by all reporting chains increased from 76.5 per cent of the total in 1922 to 81.2 per cent in 1928. The proportion purchased from wholesalers dropped during this period from 13 per cent to 8.5 per cent.

Specific purchasing practices of a few chains furnishing detailed information are discussed in the report. Sufficiency of supply of perishable products appears to be the most important factor in the buying practice of grocery and grocery and meat chains. Their relatively large patronage of brokers and commission men is explained on that basis. Variety chains and some department-store chains, on the other hand, place emphasis upon the development of new products, and for this reason these chains appear to be actively directing and supervising the manufacturing processes although they do little manufacturing under their own names.

3. WHOLESALE BUSINESS OF RETAIL CHAINS

The wholesale business of retail chains is important, because a number of retail chains which sell also at wholesale do not separate their wholesale and retail sales and the only gross-profit figures obtainable by the commission from these concerns are for the business. as a whole. The larger the wholesale part of the business the more misleading is the total gross-profit rate as an index of the gross profit or margin of the retail function performed by chain stores. The wholesale business is limited to an analysis of bona fide whole-sale sales made to outside concerns, excluding accommodation sales and all transactions concerned solely with the supplying of merchandise to the chains' own retail units.

Two hundred of the 1,655 chains answering the specific inquiry report doing wholesale as well as retail business. They operated 29,208 retail stores and reported combined retail sales of $1,835,484,202 in 1928. The chains engaged in wholesaling operate about six times as many stores per chain as those which report no wholesale business.

The ratio of wholesale to total sales is shown to be 5.1 per cent for 113 chains reporting a breakdown of their 1928 sales between whole-

sale and retail business. These chains had total sales of $1,686,-005,590 in 1928, of which amount $86,087,693 was wholesale business. If the reports of the largest two grocery-and-meat chains included in the tabulations are excluded, then the ratio for the remaining 111 companies is much greater, or well over 12 per cent.

Referring to the 26 kinds of business in which chains are engaged, the report shows that wholesaling is most extensive among musical-instrument, grocery-and-meat, hardware, and confectionery chains,. in each of which groups the proportion of the chains engaged in wholesaling exceeds 20 per cent.

The ratio of wholesale to total sales is reported as above 45 per cent in women's ready-to-wear and dollar-limit variety chains, and as between 30 and 45 per cent in four of the wearing-apparel lines-men's and women's ready-to-wear, millinery, women's shoe, and men's and women's shoe chains.

Almost half the total wholesale business reported by all companies is accounted for by the grocery-and-meat chains. If to this group the grocery, confectionery, and meat chains are added, then these four groups comprise more than one-half the number of retail chains reporting wholesaling, operate more than 95 per cent of total stores reported, and account for almost 70 per cent of the reported wholesale sales.

On the question of wholesaling by chains of different sizes , the report states that four retail chains operating more than 1,000 stores each sell at wholesale 1.5 per cent of their total sales. They report; wholesale business of approximately $20,000,000 in 1928, representing almost 23 per cent of aggregate wholesale sales of chains of all sizes. The highest ratio of wholesale business to total business is reported by 25 chains operating from 6 to 10 stores, 37.4 per cent of their sales being at wholesale. It is not shown, however, that smaller chains generally wholesale greater proportions of their total sales than do the larger chains.

In its analysis of chains by geographic divisions, the report shows the highest ratios of wholesale sales to total sales in the divisional chains of the West North Central, Mountain, and South Atlantic divisions, ranging from about 25 per cent upward. However, more than half of the divisional chains that sell at wholesale are situated in the three northeast divisions of the country, namely, New England, Middle Atlantic, and East North Central.

The principal commodities commonly wholesaled by chains represent merchandise of the same general kind as that forming the bulk of the goods retailed by them. In the important food groups of chains, these commodities are sugar, flour, canned goods, lard, and

meats. The report analyzes the frequency with which leading classes of commodities are wholesaled by various kinds of chains. Nearly one-fourth of all items retailed by 49 reporting chains are, on the average, also wholesaled by them.

More than 86 per cent of 171 reporting chains indicate that their wholesaling is conducted by the same company as that operating the retail stores. In this connection the report indicates that only a small and apparently diminishing proportion of retail chains is owned by wholesale houses.

In most cases the chain-store executives , whose statements are discussed in the report, profess that their companies resort to wholesaling merely as an adjunct to their primary retailing operations; but in some other cases, referred to in the report, they state that it is their policy definitely to develop the wholesale side of the business.

4. LEADERS AND LOSS LEADERS

The report on chain-store leaders and loss leaders summarizes data collected by the commission on merchandise sold below net purchase cost and below total cost. In a broad sense, leaders may be defined as merchandise featured or sold at reduced prices to attract buyers and thereby stimulate sales not only of these leaders but also of other goods.

There are apparently four principal purposes for which leaders are used, all of which are briefly stated in the following explanation made by the president of a grocery-and-meat chain which operate several hundred stores:

> The extent to which prices are cut depends on competition, the necessity of introducing a commodity, the need for moving a line of goods, and the desire to bring customers into the store.

In 1922, 69 of 777 chains, or 8.9 per cent of all the organizations reporting on this matter, at some time sold leaders at less than net purchase cost. By 1928, 11.9 per cent, or 174 out of a total of 1,458, so reported.

The importance of these chains that sold leaders below cost is indicated by the fact that in 1928 the total net retail sales of $1,147,-673,000 reported by the 174 chains that sometimes sold leaders , other than private brands, at less than net purchase cost amounted to 31 per cent of the total net sales of all chains reporting. The average net sales per chain in 1928 for those that sold these leaders below net purchase cost amounted to $6,596,000, while for those chains that reported they did not sell leaders below net purchase cost the average net sales were $1,991,000. These are the total sales, of course, of the chains which used this practice and not the leader sales.

The extent of such loss-leader sales is indicated by the following statement in the report:

> Out of a total of 827 chains reporting on the sale of standard-brand articles below total cost (Including operating costs) during the last week of December, 1928, 97 chains, or 11.7 per cent of the total reporting, stated that they did sell such leaders during that week. These 97 chains operated 12.949 stores in the last week of December, 1928, or more than one-third of the number operated by all chains reporting on the question. Although the proportion of these chains selling below total cost (11.7 per cent) is about the same as the proportion of the 1,458 chains (11.9 per cent) reporting that they sold leaders at less than net purchase cost in 1928, the proportion of total stores operated by the former (36A per cent) is more than twice that of those operated by the latter (16.8 per cent). About 99 per cent of the stores belonging to the 97 chains that reported such sales were operated by only three groups of chains. The only kinds of chains for which any considerable number of companies reported sales below total cost were grocery. grocery-and-meat, and drug chains.

A limited amount of information is available of specific articles, indicating the amount of loss. For example, on 254 items in 25 commodity groups sold below total cost (including operating expenses) by 36 grocery and grocery-and-meat chains operating 11,369 stores during the last week of December, 1928, the average loss was 9.9 per cent and ranged from 3.3 per cent on toilet paper to 14.6 per cent on cigarettes.

For drug products the losses range up to 26.2 per cent, and are taken on such commodities as cigars, soaps, ointments, tooth pastes, razor blades, shaving creams , toilet creams, hair tonics, emulsions, and lotions.

5. COOPERATIVE DRUG CHAINS

The report on cooperative drug chains gives information on a total of 24 cooperative drug chains with a retail membership of 6,041 independent drug stores at the close of 1929. All but one of these chains are of the " retailer" type, their business being owned by the retail members. The commission estimates that there were 30 cooperative drug chains in the country (exclusive of the "mutuals") with a total estimated membership of 7,550 retail druggists at the end of 1929, which comprised 13.1 per cent of the total number of retail drug stores in the United States. These cooperatives had more than twice as many retail stores as had centrally owned chain organizations of four stores or more in the same year. The total wholesale sales in 1929 of 16 reporting cooperative drug companies amounted to $24,553,000, practically all of which represented sales to members.

Cooperative drug chains have done little more to meet competition of centrally owned chains than to arrange for group buying and

warehousing of their merchandise. Policies and methods used by centrally owned chains, relating to uniform store features, managerial services, supervisors, and other things are not common in cooperative drug chains.

The present cooperative drug organizations originally required members to buy a minimum amount of stock in the cooperative and generally placed a maximum limit to such purchases. In many of these companies there is now no more stock to be sold, and the policy is generally to require the retail member to make a deposit of from $100 to $500 or more, as security against his purchases. Based on the average amounts of all required expenditures, as reported by the retailer type of cooperative drug chains, the average cost to a member of belonging to such a drug chain is about $54 a year.

Unlike most cooperative grocery chains, the cooperative drug organizations make very little use of leaders. Group advertising is likewise little used by this type of cooperative. Private brands, generally consisting of standard articles of merchandise put up in package form, are used by about half the cooperative drug chains. The average number of private brand items carried by eight of these companies is 55.

The report does not discuss the financial results of the individual retail members of the drug cooperatives, but the operating expenses, investment, rates of return, and profits of the retailer-owned cooperative organizations are shown in detail. On this subject the report states:

> The average gross profits of the reporting drug cooperatives were 9.5 per cent, 10 per cent, and 9.7 per cent for the three years for which data were submitted. Average operating expenses as reported amounted to 7.2 per cent for 1925 and 7.9 per cent for both 1928 and 1929. Salaries and wages make up over 60 per cent of the total of these expenses. Delivery expense of Co-operatives, amounting to about 8 per cent of total operating expenses, is the next largest expense item. Net profits for the reporting companies show a de cline for the three years studied, being 2.3 per cent on sales in 1925, 2.1 per cent in 1928, and 1.8 per cent in 1929. This downward tendency of net profit on sales is in contrast to that of the retailer grocery cooperatives which shows an upward trend.
>
> The total investment of 16 drug cooperatives in 1929 was $4,549,000, or an average of $284,000 per company. The average rate of return on this average total investment was 11.2 per cent in 1929, which was a somewhat smaller return than is shown for the two earlier years.
>
> The results shown by this report lead to certain definite conclusions. The drug cooperatives have centered their activities primarily on the distribution of merchandise to members at a low cost. Little attention has been given to special services for retail members or to developing an advertising program for them. Drug cooperatives are getting goods into the hands of their members on a gross margin of about 10 per cent on sales.
>
> The most important problems confronting the drug cooperative appear to be the lack of cooperation by drug manufacturers on the one hand and by

retail members on the other. No comparison between operating costs of regular service drug wholesalers and cooperative drug chains is possible at this time, but will be presented at a later date.

7. COOPERATIVE HARDWARE CHAINS

The report on cooperative hardware chains gives some information concerning the few cooperatives found in the hardware trade. Two paragraphs from the letter of submittal which accompanies the report contain the following statements concerning these organizations.

Few cooperative chains are found in the hardware trade to aid the independent hardware dealer in meeting competition of regular chain stores, department stores, and mail-order houses. From the standpoint of age and number of groups organized the movement in the hardware field is still young as compared with the grocery and drug trades. This report includes such limited information and data as were procured from six retailer cooperative hardware chains having a membership of 990 retail stores. The total net sales for five of the cooperative hardware companies (excluding one small buying and advertising group that does not operate a warehouse) amounted to somewhat over $6,000,000 in 1929.

The hardware cooperatives are, in general, organized in much the same way as the drug cooperatives, and like the latter usually perform few functions or services for the retail members other than buying and distributing merchandise to their members at reduced cost.

8. GROWTH AND DEVELOPMENT OF CHAIN STORES

The report on growth and development of chain stores presents an analysis of store openings, store acquisitions, store closings, and net store additions based on a more or less complete record of 1,591 chains operating 61,766 stores on December 31, 1928. Returns made by these chains cover a period of from 1 to 43 years, depending upon the length of time for which a continuous yearly record of openings, acquisitions, and closing was available through 1928. Information for 1,687 and 1,478 chains, most of them included in the above-mentioned group, is also available for the years 1929 and 1930, respectively.

These 1,591 chains reported a total of 58,040 gross total additions through 1928, of which slightly more than 11 per cent were acquired from others and the remaining 89 per cent represent actual openings of new units. Adding the Openings and acquisitions for 1929 and 1930, the gross total additions increase to 73,440 stores and the ratio of acquisitions rises to 15 per cent.

It is estimated that, of the total acquisitions of reporting chains, only 12 per cent were acquired from independents, thus accounting for less than 2 per cent of the total growth of chains through 1928.

Based upon the number of stores in operation at the beginning-of each year, acquisitions have been made at the rate of 1.8 per cent per annum for the 1,591 chains for 1928 and one or more consecutively prior years as compared with 14.5 per cent for stores opened. If the figures for chains reporting in 1929 and 1930 are included, the corresponding ratios are 2.3 per cent for acquisitions and 12.7 per cent for openings from 1925 to 1929. The proportions of acquisitions to gross total stores added rose sharply from 3.3 per cent in the former year to 38.4 per cent in the latter, only to fall abruptly to 11.1 per cent in 1930.

Substantial differences in the importance of acquisitions and openings to the growth of chain stores are found among the 26 kinds of business. Only three groups-grocery and meat, straight grocery, and drug-are numerically important in acquisitions. The bulk of the reported acquisitions in each of these kinds of business are those of one or, at most, a few of the larger chain-store organizations.

The total number of closings through 1928 reported by these 1,591 chain-store systems was 11,506, which is 20 per cent of the 58,040 stores reported added by these chains during the period through 1928 either through acquisitions or openings, or 3.2 per cent per annum. Slightly more than half of the total closings reported were in two years, 1927 and 1928. Including 1929 and 1930, the chains have closed the equivalent of slightly less than 28 per cent of the gross total stores added and have shown an annual closing rate of 4.2 per cent per annum.

The 1,591 chains reported a net addition figure of 46,534 for the period through 1928. This is an annual average increase of slightly in excess of 13 per cent. Combining the figures for the chains reporting through 1928 with those reporting for 1929 and 1930 the average rate of net annual increase becomes slightly less than 11 per cent per annum. Beginning in 1922, and with the exception of 1925,. the ratios of net additions to gross total stores added show a regular decrease from 88.6 per cent in 1922 to 14.7 per cent in 1930.

A comparison for the 10 years, 1919-1928, of the openings and closings of chain-store units, as reported to the commission, with the corresponding figures of Buffalo, N. Y., independent merchants in the grocery, drug, hardware, and shoe fields (published by the University of Buffalo, Bureau of Social and Business Research) indicates that the opening rate of independent stores is substantially higher than that for the stores of chains. On the other hand, the independent closing rate is almost as high as their rate of openings, whereas the chain rate of closings is roughly one-fourth that of their openings.

Using the data reported in the commission’s schedules and such miscellaneous information as could be obtained from published

sources, the commission has constructed, for the 26 kinds of business studied, estimates of the probable number of chains and stores in operation in the United States based on census of distribution figures of chain stores in operation in 1929. According to these constructed figures, there were probably in operation in 1900 in the 26 kinds of business studied by the commission some 700 chains, including 2 and 3 store organizations, and the total number of stores they operated was probably about 4,500. In 1910 it is estimated that in these lines of business there were 3,000 chains with 13,500 stores in operation; in 1920, 9,400 chains with 49,200 stores; and in 1928, 20,000 chains with 119,600 stores.

COTTONSEED INDUSTRY

PUBLIC HEARINGS IN VARIOUS STATES ARE CONCLUDED

The inquiry was conducted pursuant to two Senate resolutions adopted during the Seventy-first Congress, first session,[7] and to section 6 of the Federal Trade Commission act.

Resolution 136 requested the Federal Trade Commission to investigate activities of the cottonseed-oil millers in an alleged combination to fix prices in the purchase of cottonseed and in the sale of cottonseed meal, all in alleged violation of the antitrust laws.

Resolution 147 directed the commission to investigate allegations that cottonseed-oil millers were acquiring the ownership and control of cotton gins for the purpose of destroying the competitive market for cottonseed and depressing cottonseed prices. The resolution specified public hearings.

The Senate, June 30, 1930, approved Resolution 292 directing the commission to transmit to the Senate or file with the Secretary of the Senate a transcript of the testimony taken at the public hearings.

The investigation was inaugurated in December, 1929, and as preliminary to the holding of public hearings, representatives of the commission interviewed crushers of cottonseed and officials of their trade associations. Wherever possible extensive examination was made of files of correspondence between crushers, association officials, and buyers of cottonseed. Ginners, officials of ginners' associations, farmers, cottonseed brokers, cottonseed products brokers, officers of commercial exchanges, State and Government officials, and others believed to have information regarding the sale of cottonseed were also interviewed.

Public hearings began in Washington, June 2, 1930, and ended February 10, 1932. Testimony was taken in Atlanta; Montgomery, Ala.; Raleigh, N. C.; Columbia, S. C.; Jackson, Miss.; New Orleans,

7 Complete text of these resolutions will be found on page 257.

Shreveport, La.; Houston; Dallas; Oklahoma City; Little Rock; and Memphis.

In pursuance of Senate Resolution 292, seven volumes (eight parts) of testimony and exhibits have been printed as parts of Senate Document 209. Four more volumes have gone to press.

The voluminous record of testimony and exhibits is being studied, analyzed, and digested.

PRICES AND COMPETITION AMONG PEANUT MILLS

EVIDENCE SHOWS NO SECTION-WIDE OR STATE-WIDE PRICE FIXING

This inquiry was made in response to a Senate resolution [8] requesting the commission to make an investigation of all the facts relating to an alleged combination of peanut crushers and mills acting in violation of the antitrust laws with respect to prices paid to farmers for peanuts by such crushers and mills. The report on the inquiry has been completed, submitted to the Senate, and ordered by that body to be printed.

In its investigation the commission covered the entire territory wherein peanuts constitute an important commercial crop in 12 of the Southern States, such territory extending in a broad belt from southeastern Virginia along the Atlantic and Gulf coasts into Texas, Oklahoma, and Arkansas. The aggregate crop at times exceeds a billion pounds in weight and its value sometimes reaches into the millions of dollars.

Each of the three associations of shellers and practically all the Shelling plants in the industry were visited by representatives of the commission, who examined their records and obtained data therefrom. The inquiry shows that the price of peanuts began to decline at about the same time as that of many other commodities. An index-number comparison of the prices of peanuts over a period of 18 years with those of cotton and cottonseed, which grow in the same producing belt, shows that the trend of the prices of all these commodities was, in general, the same.

Various causes for the peanut-price situation, aside from that of a combination in restraint of trade, were alleged by informants in active work in the industry, some of which were found in the course of the inquiry to be contributory to the price depression, although it was impossible to measure the extent of their influence in such a market as has existed since 1929. Some of these price factors are noted herein.

In 1928, in anticipation of an increased tariff on foreign peanuts, unusual quantities were imported, and the same year saw the begin-

8 See page 258 for full text of resolution.

ing of an unprecedented accumulation of stocks of shelled goods in cold storage which extended into the middle of 1929. Following upon this high tide of imports and stocks in cold storage came an unusually large crop of peanuts in the fall of 1929, the greatest harvest between the seasons 1918-19 and 1930-31, generally conceded to be an overproduction; and to this was added damage to the bumper crop by storm and other weather conditions in many sections in that year, injuring the grade so that goods which were expected to be shelled for the market had to be crushed for oil. These were factors, any one of which, if manifested to a considerable degree, could produce a serious depression in prices, a fortiori any two of them operating simultaneously. No widespread organization of peanut shellers was found to have been engaged in a combination to depress the price to the farmer. The conclusion of the commission in respect to these various causes is as follows:

> The steady, industry-wide decline in price of farmers' stock peanuts since 1928 has followed the same general course of practically all other farm products and all other commodities during the period of extraordinary depression through which this country is passing. Such widespread decline is not found to be due to a combination of peanut crushers and mills acting for the purpose of fixing such prices or of arbitrarily forcing them down. No evidence has been developed showing the existence of a section-wide or even a State-wide organization which has attempted to fix the price of farmers' stock peanuts, although the activities of certain groups of mills have undoubtedly been factors which contributed to the depression of the prices.

The inquiry did, in fact, develop the information that the above-mentioned economic factors were not the only ones which Were influencing the peanut market; that in certain sections small groups of shelling companies had by their price activities so manipulated the situation as undoubtedly to contribute to the depression of prices paid to farmers in their respective localities. Instances of price discussions and exchanges of present and prospective prices, agreements as to the price to be paid and division of territory were found to exist in certain localities. Relative to the activities of these groups of shellers, the commission reaches this further conclusion:

Those peanut mills which this inquiry shows to have participated in such practices as discussions and exchanges of present and prospective prices, price agreements, and division of territory have in so doing laid a restraint upon competition, the natural effect of which is to impede advancing and accelerate declining prices.

Such practices, however, were found to originate in groups of companies within definite, circumscribed territories, the activities of such groups not being related the one to the other, not extending across State lines and not laying a burden upon commerce between the States. The commission, therefore, reached the conclusion that the

methods employed by the participants did not bring them within Federal jurisdiction and that relief from the restraint which they placed upon competition is to be found within the States in which such practices are exercised.

PRICE BASES

FIRST REPORT IS SENT TO CONGRESS

On March 26, 1932, the report on the Basing-point Formula and Cement Prices was transmitted to Congress.

This report is the first to be issued under an inquiry instituted by a resolution of the commission which declared the "economical distribution of commodities" to be "one of the chief problems of the day" and directed that an inquiry be made into the methods of basing prices with respect to location. These methods include the selling on the bases of (1) shipping-point prices; (2) uniform delivered prices, either country wide or by zones; and (3) delivered prices made under what is known as a basing-point system.

The object of the inquiry was to ascertain the causes for the adoption of these various methods, and their relation, if any, to the matter of competition, differences in prices, price levels, and cross freighting or other needless costs.

While the present report deals chiefly with the multiple basing-point system as employed by the cement industry, it also includes a country-wide survey of the price-basing methods used by manufacturers generally together with a broad discussion of these several methods. Out of more than 3,500 firms reporting to the commission, it was found that 44 per cent sell on an exclusively shipping-point price basis, 18 per cent on an exclusively delivered price basis, and 38 per cent on both bases.

DIVERGENCE OF MILL NET PRICES IS SHOWN

The delivered price for any destination is, under the multiple basing-point formula, that sum of price at some basing point and freight therefrom, whichever is lowest, all basing points considered. The mill net price for a given shipment is the delivered price less the actual freight from mill to destination and may be, and often is, less than that mill's price at the mill.

The letter of submittal accompanying the report says:

> The most significant aspect of the basing-point system is found in the diver-gent mill net prices which usually prevail under that system and obtain in a marked degree in the cement Industry. Widely different mill net prices realized for any one mill at any one time upon substantial portions of the mill's sales are indicative of very imperfect price competition, because competition in price implies the frequent shading of a competitor's price, when costs permit,

as an inducement of the seller to divert buyers from that competitor's product to his own. And the seller's costs presumably do permit it, if he is making to one group of buyers lower mill net prices than to some group or groups of buyers elsewhere in order to secure additional volume. Under active price. competition the higher net prices tend to be shaded and sales to the lowest net price group discontinued, if necessary, until net prices generally are substantially equal.

Other tests which the report applies to basing-point prices in the cement industry to determine their competitive character, are price uniformity and price constancy.

PRICE LEADERSHIP A FACTOR IN COMPETITION

Price leadership is found to be a contributing factor to imperfect price competition. The letter says:

All cement mills, as regards price making, fall into two classes--those that assume price leadership and those that do not. A mill that establishes a price at its mill point and delivered prices for other points lower than the base price of any other mill together with freight therefrom to those points, respectively, makes of itself a basing point and assumes price leadership at all such points. Outside such points it follows the leadership of other basing mills as regards prices. The nonbasing mill assumes no price leadership but adopts the delivered prices of others as it finds them. This may also be true of a mill located at a basing point where there are two or more mills. Many mills are so located. Such a price policy has directly only a negative effect upon the level of prices and in that sense denotes an absence of price competition on the part of these mills.

About one-half the total number of cement mills operating in 1930 were nonbasing mills.

PRICE DIFFERENCES IN THE CEMENT INDUSTRY

Differences of mill net prices in the cement industry were found to affect buyers, and in some instances competitors, unequally. It is pointed out that--

Perhaps the most objectionable of all cases of price differentiation found in connection with the cement industry's use of the basing-point system is that resulting from one mill, or group of mills, setting the mill price of another mill, freightwise differently located, above which it may not go--objectionable not only because the aggressor mill makes a lower mill net price to one group of buyers than to another which it itself initiates, but because the setting of a relatively low mill price for another mill reduces its own average net realization much less than that of the mill whose mill price is thus set. Such price differences were found both where the mill against which these tactics were being employed was a State-owned mill and where the mill was one showing marked independence in its price policy by frequent failure to observe strictly the formula system.

In response to a recent request of the commission costs were submitted to it by the cement industry, though not in time to be fully

analyzed as to their bearing on the matter of the report and to be incorporated therein. They are now being compiled and studied for issue as a supplemental report should this seem to be justified by the results of the study.

Price data from manufacturers invoices and other material relating to range boilers and industrial alcohol and illustrating other methods of basing prices are now being collected and compiled.

CEMENT INDUSTRY

REPORT TO SENATE IS BEING PREPARED

This inquiry was begun in March, 1931, pursuant to a resolution adopted by the Senate, February 16, 1931 (S. Res. 448, 71st Cong., 3d sess.). The resolution directed the commission to investigate competitive conditions in the cement industry and report to the Senate concerning the following:

The facts with respect to the sale of cement, whether of foreign or domestic manufacture, and especially the price activities of trade associations composed of either manufacturers or dealers in cement, or both.

The facts with respect to the distribution of cement, including a survey of the practices of manufacturers or dealers used in connection with the distribution of cement.

Whether the activities in the cement industry on the part of trade associations, manufacturers of cement, or dealers in cement constitute a violation of the antitrust laws of the United States and whether such activities constitute unfair trade practices.

The work of gathering the information, both by correspondence through questionnaire letters to cement manufacturers and dealers, and by field work, during which examinations were made of the files and records of trade associations, cement manufacturers, cement dealers, and State highway commissions, has been completed. The evidence collected is being classified and analyzed and a report is being prepared in response to the resolution.

BUILDING MATERIALS

LETTING OF GOVERNMENT BUILDING CONTRACTS IS INVESTIGATED

This investigation was undertaken in response to Senate Resolution 493 [9] and the commission's order supplemental thereto which was issued April 27, 1931. Briefly, the resolution calls for all facts relating to the letting of Government building contracts and for information concerning whether or not there has been price fixing on the materials used in construction work of which there are some two hundred and fifty.

9 For full text of the resolution see p.259.

The various departments of the Government authorized to award construction contracts deal almost exclusively with general contractors. Preliminary information concerning the sources of building materials used in Government buildings was obtained from these contractors by means of questionnaires. By the same method general contractors were called upon to submit their views as to whether or not there has been price fixing among subcontractors or material-men.

The condition of the commission's appropriation made it necessary that the investigation be confined to a representative number of con-tracts and materials. Early in the investigation it became obvious that the specification, selection, and approval of materials for use in Federal buildings were of primary importance and were perhaps the most controversial matters in the entire program. It likewise was clear that the exterior materials, especially the natural products, were the ones over which such controversies most frequently arose. The initial selection of materials was therefore confined to granite, marble, limestone, and sandstone, and investigators were sent into the field to develop facts concerning competitive conditions in these industries. Later terra cotta, which to some extent is in competition with stone, was added to the list of materials under investigation. Some work of a general nature was also undertaken on brick, but this industry is scattered so generally throughout the United States that a comprehensive investigation would require expenditure of funds far in excess of those available.

Facts relating to the letting of Government contracts were obtained largely from the Treasury Department, because this is the most important contracting unit of the Federal Government. Some 40 jobs were selected for investigation. In making this selection, the geographical location of the building, its size, cost, and the kinds of materials used were considered in order that the picture developed might be truly representative.

The field work as outlined above was started in October, 1931, and completed in June, 1932. The data collected is now being compiled and the report is expected to be completed in a few months.

BREAD AND FLOUR

REPORT COVERS FACTS OBTAINED AFTER LONG LITIGATION

A supplemental report entitled "Conditions in Flour-Milling Business" was prepared and published during the year as Senate Document No.96, Seventy-second Congress, first session, pursuant to Senate Resolution 163, Sixty-eighth Congress, first session.

This report is based upon documents requested in 1925, subpoenaed in 1926, and delivered in 1931 after long litigation, initiated by the Millers' National Federation on behalf of its officers and members

The letter of submittal of the report is as follows:

This supplemental report of the Federal Trade Commission on competition in the flour industry is submitted in compliance with Senate Resolution No.103,. Sixty-eighth Congress, first session, which directed, among other things, an inquiry into "the production, distribution, transportation, and sale of flour an bread, including by-products, and report its findings in full to the Senate, showing the costs, prices, and profits at each stage of the process of production and distribution, * * * the extent and methods of price fixing, price maintenance * * *," etc.

The last and principal report hitherto submitted to the Senate on this subject was made under date of January 11, 1928, namely, a report on competition and profits in bread and flour. The reason that a supplemental report is submitted at this time is that, following the service of certain subpoenas on the secretary of the Millers' National Federation and others, in April, 1920, to appear and produce certain documentary evidence pertinent to the above-mentioned inquiry ordered by the Senate, and on the day before the date of the hearing, a petition for a temporary injunction against such proceeding was file in the Supreme Court of the District of Columbia, which injunction was granted by the court on the next day. From that time the matter was in the courts until February 2, 1931, when the Court of Appeals of the District of Columbia reversed the decision of the lower court, which was duly followed by a decree in the lower court, dated March 10, 1931, setting aside and vacating the injunction. The Millers' National Federation and the other original respondents in the subpoena proceedings then satisfied the commission by the delivery of certain papers, namely, certain documentary evidence of the Millers' National Federation and a certain accounting statement of the business of the Washburn-Crosby Co., which had been prepared by examiners of the commission with the consent of the company, but which the company had taken from them. The information presented in this report comprises, therefore, first, additional documentary evidence regarding competitive conditions among the flour millers and, second, more comprehensive information regarding the Investment. and profits of the flour millers; that is, amplified by the inclusion of the data. for the Washburn-Crosby Co., the largest flour-milling company in the country, during the period in question.

The inclusion of the additional financial data does net greatly change the results as to average rate of return on investment, which is shown to be somewhat higher by this addition, though the investment per barrel of output is considerably reduced.

Three reports were previously issued pursuant to the above mentioned resolution.

PART III. SPECIAL PROCEDURE IN CERTAIN TYPES OF ADVERTISING CASES

PART III. SPECIAL PROCEDURE IN CERTAIN TYPES OF ADVERTISING CASES

EXTENT OF MAGAZINE AND NEWSPAPER ADVERTISING

More than 16,000,000,000 copies of daily, weekly, and monthly periodicals are printed and circulated every year, and every copy carries advertising matter intended to induce the readers to buy some article of commerce. Approximately $1,000,000,000 is paid publishers annually by advertisers.

There are published in the United States 2,288 daily newspapers, with a total circulation of 42,110,890; 520 Sunday newspapers, with a circulation of 28,206,171; 3,445 weekly and monthly magazines, with a circulation of approximately 75,000,000; 12,820 tri-weekly, semi-weekly, and weekly newspapers; and 981 fortnightly, semi-monthly, bimonthly, and quarterly publications.

Altogether there are published in the United States close to 20,000 daily, weekly, and monthly newspapers and magazines, with a total circulation of approximately 1,889,000,000 copies a month, or more than 16,000,000,000 a year.

These publications live on revenue collected from advertisers, and the advertisers live on money collected from the purchasing public.

In 1930 national advertisers paid $192,327,954 to the publishers of 65 weekly and monthly magazines having a total circulation of 56,492,131. In 1931 they paid them $156,218,419.

For years many publishers, without consideration for their subscribers, accepted and published advertisements filled with false and misleading representations and thereby became parties to the deception and fraud perpetrated upon their readers.

PUBLISHERS VALUE READER CONFIDENCE

Later many publishers awoke to the value of reader confidence and barred from their publications such advertisements as were clearly fraudulent.

The publishers requested a trade-practice conference. It was held in New York City, November 12, 1928, with approximately 6,000 publishers present.

Chairman Humphrey outlined the scope of the conference and the powers of the Federal Trade Commission; pointed out the extent to which advertisers were robbing the sick, the unfortunate, and the ignorant; the part publishers were playing in delivering innocent victims into the clutches of false advertisers; the responsibility of

the publishers and their plain duty to their subscribers and the purchasing public; and requested the cooperation of all publishers in the commission's efforts to eliminate falsehood and deception from advertising and to restore reader confidence.

These assembled publishers pledged their support; and it may be said to the credit of a large majority of all publishers that they have loyally cooperated with the commission. Hundreds of vultures preying upon the public have been driven out of business; and thousands of otherwise honest business men, who had fallen into the habit of exaggerating and using deceptive and misleading superlatives, have revised their "copy" and find it pays to tell the truth in advertising.

SPECIAL BOARD CREATED TO HANDLE COMPLAINTS

To handle the great volume of complaints against advertisers, the commission, in May, 1929, created a special board of investigation. This board is composed of three members-all attorneys--and is authorized, by various orders of the commission:

To make investigations with reference to false and misleading advertising in newspapers and magazines;

To extend to advertisers, publishers, and advertising agents the privilege of informal hearings before the board prior to actual issuance of complaint and institution of formal proceedings;

To hold such hearings or conferences in all cases where, in the opinion of the board, it appears the matter might be adjusted by stipulation or agreement;

To make from time to time reports to the commission of its action in any case or eases;

To prepare and submit to the commission for its consideration recommendations or suggested forms or plans for further proceedings in any case or cases or for the final disposition thereof; and

To perform such other duties as the commission from time to time directs.

PROCEDURE OF SPECIAL BOARD IS OUTLINED

In actual practice the special board considers all cases of false and misleading advertising in newspapers, magazines, and over the radio that are brought to its attention by reference, complaint, or otherwise, and recommends to the commission such action as it deems proper.

Even though an advertisement considered by the board is not obviously false, still, to clear up any possible doubt, a questionnaire is sent to the advertiser requesting copies of his published advertisements and of all booklets, folders, circulars, form letters, and other advertising literature used, together with a sample of the advertised article, and, if it is a medical preparation, the quantitative formula.

These medicines and formulas are submitted to medical authorities for reports on their therapeutic properties.

If it appears that an advertiser is making false and misleading representations to effect the sale of his goods, the board reports the

matter to the commission with recommendation that an application for complaint be docketed and the matter formally referred to the special board for further action.

When the commission makes such order and reference, the board then notifies the advertiser and the publishers, extending an opportunity to the advertiser to submit such evidence as he desires to verify, justify, or explain the statements and representations he is making to the public or otherwise show cause why proceedings should not be prosecuted. The publishers are likewise notified and given opportunity to show cause why they should not be joined as respondents in such proceedings against the advertisers.

Publishers usually declare they have no interest in the business of the advertiser or the further publication of advertising assertions which are questioned by the commission and agree to abide by any cease and desist order that may issue against the advertiser and by the terms and provisions of any stipulation that may be entered into with the commission by the advertiser to the same extent as if they were parties to such proceedings, order, or stipulation. On execution of stipulation to that effect the board recommends to the commission that the publishers be not joined as respondents in the proceedings against the advertiser. Advertising agents are treated in the same manner as publishers when the circumstances of the case so warrant.

The board hears the advertiser informally, and receives and considers all evidence submitted. Where it appears that the advertiser is not violating the statute, the board recommends to the commission that the proceedings be dismissed.

Where it appears that the advertiser has been making false and misleading representations, in violation of law, but is willing to discontinue them, a stipulation is prepared by the board in which the offensive assertions are recited and their publication admitted. The advertiser signs an agreement to the effect he will cease and desist from making any false or misleading statement or representation to sell his goods, and specifically that he will not thereafter make the certain assertions recited therein either in substance or form. The acceptance of such a stipulation by the commission operates to dismiss the proceedings without prejudice.[1]

If, however, it appears to the board that the advertiser has been making false or misleading statements in violation of law and is unwilling to discontinue such methods, the board recommends the formal prosecution of the charges.

1 Stipulations approved and accepted during the fiscal year are digested, beginning on p.217.

CURES AND COSMETICS LEAD IN FRAUDULENT ADVERTISING

Investigations made by the commission have disclosed frauds of many kinds. The worst are perpetrated by those who prey on the suffering of those of their fellows who are willing to try anything to get relief from pain or the handicap of illness.

Millions of dollars are paid annually for preparations worthless or of doubtful value but advertised as being effective for such uses as reducing flesh or building it up; removing wrinkles, age lines, freckles, moles, warts, and the footprints of time; tinting or bleaching the skin; growing hair or removing it; coloring hair or bleaching it; and the like.

Investigations of the commission disclose that various preparations purveyed by some chemists, cosmeticians, and others who are looking for easy money, will not always stand up under careful scientific analysis. A "wrinkle oil" was found to consist of castor oil with a few drops of perfume, put up in 2-ounce bottles of pleasing shape, with beautiful labels, for $2. For fat people many reducing creams are offered, and numerous vendors advertise magic results, all of which are false and misleading, for there is no cream that will reduce fat by mere application. Some vendors offer the identical cream as a tissue-builder or flesh food to enable skinny folk at will to build up flesh on the neck, the arms or legs, the back, the bust, or wherever they crave it, yet there is no known cream that will build tissue or feed flesh.

Having perfected the form divine by either reducing rolls of fat or rounding out the graceful curves, perhaps the color of the hair is not quite pleasing, and to remedy this there are tonics galore to remove dandruff and thicken the hair and cause it to grow, and dyes of many kinds to impart a color that might make one appear more youthful, if the lines of the face and the color of the skin did not belie the copper tint that displaced a natural and distinguished gray.

Some concerns do a business approaching a million dollars a year in the sale of hair dye alone.

In the large field of miscellaneous cases, especial attention has been given the past year, with Substantial results, to those of puzzle-contest advertisements, paid testimonials, luck charms, and excessive earnings for prospective agents.

BOARD INVESTIGATES AND REPORTS ON 406 CASES

During the fiscal year ended June 30, 1932, the special board concluded the investigation of and reported to the commission 406 cases. Of these, 341 were against advertisers, 57 against publishers. and 8 against advertising agencies.

In 45 cases the advertisers discontinued business, 12 more were forced out by post-office fraud orders, 3 discontinued false and misleading advertising before complaints were made, 42 cases were dismissed for lack of evidence or jurisdiction, 18 were referred to other divisions, 233 were disposed of by stipulation, and prosecution of formal proceedings was recommended in 9 cases. In 44 cases investigations were completed, reported to the commission, and await further orders.

The personnel of the special board of investigation numbers 8, including its 3 members, 2 official reporters, a secretary, and 2 stenographers. The board does no traveling. The cost of its operation during the last fiscal year was $23,400, or an average of $57.63 a case.

While it is impossible to state accurately the number of false and misleading advertisements that have been discontinued entirely or revised to check fairly with the truth, it is estimated that such number for last year, considered as being directly due to the commission's activities, exceeds 20,000. The money saved to the purchasing public amounts to many millions of dollars. That rapid progress is being made for truth and honesty in advertising is evidenced by the following declaration adopted by the Advertising Federation of America at its twenty-eighth annual convention in June, 1932:

> We agree to conduct our business with due recognition that truth, honesty, and integrity must be the basis of every sound transaction; consider the mutual interests of supplier and consumer and, therefore, avoid anything tending toward misrepresentation, indecent or misleading advertising, deceptive methods, or the promise of performance that can not be reasonably fulfilled.

And a new advertising code was recently adopted by the Association of National Advertisers and the American Association of Advertising Agencies. The practices particularly objected to are:

> (1) False statements or misleading exaggerations; (2) indirect misrepresentation of a product or service, through distortion of details, either editorially or pictorially; (3) statements or suggestions offensive to public decency; (4) statements which tend to undermine an industry by attributing to its products, generally, faults and weaknesses true only of a few; (5) price claims that are misleading; (6) pseudoscientific advertising, including claims insufficiently supported by accepted authority or that distort the true meaning or application or a statement made by professional or scientific authority, and (7) testimonials which do not reflect the real choice of a competent witness.

These associations have formed a committee to enforce their code Such enforcement, according to announcements from the participating associations, among other benefits, will "stem the tide of destructive advertising and restore belief in the eternal truthfulness of the printed word."

PART IV. TRADE-PRACTICE CONFERENCES

PART IV. TRADE-PRACTICE CONFERENCES

COMMISSION ACTION ON TRADE-PRACTICE-CONFERENCE RULES IS SHOWN

The commission approved and accepted trade-practice-conference rules for 10 industries and revised rules previously promulgated for 7 industries during the fiscal year.[1] The 10 industries are: Furnace pipe and fittings, electrical contracting, electric wholesalers, feathers and down, waste-paper dealers, household furniture, metal burial vaults, multicolor printers of transparent and translucent materials, school-supply distributors, and silk weighting. The 7 industries referred to are: Commercial cold storage, grocery industry, plumbing and heating, scrap iron and steel, trunks-luggage-brief cases, warm-air furnaces, and direct-selling industry.

Of the 10 industries for which rules were approved and accepted by the commission for the first time, 7 had held conferences during the fiscal year, and 3 had met previously.

Of the 7 industries for which rules were revised by the commission during this period, 5 have accepted the action of the commission. The rules in each instance have been published. In the other 2 instances the rules are being considered either by the commission or the industries.

Commission action on trade-practice-conference rules for any industry is not made public until such rules as acted on have been submitted to a committee or individual authorized to act for the respective industry in matters affecting trade-practice-conference rules.

Trade-practice rules for a total of 63 industries were made public by the commission during the year. The commission's action on a number of these had taken place in the previous fiscal year.

Of the 63 sets of rules made public, 37 were for industries for which rules had been previously promulgated and revised by the commission, while 26 were for industries for which trade-practice-conference rules had not hitherto been issued.

RESULTS ATTAINED FROM THE TRADE CONFERENCE

Results to the public from trade-practice conferences have proven incalculable in the form of voluntary elimination of methods of unfair competition which probably would otherwise remain undis-

1 Trade-practice conferences held by the Federal Trade Commission since inception of the movement i 1919 are listed on p.253.

covered and in use; in the speedier benefits derived from such elimination as compared with the time required in accomplishing the same objective by other methods of procedure; and in the economies effected through the saving of expense to the public by obviating the necessity for investigations and trials of complaints.

Results to industries, while secondary to the main purpose of the commission in holding trade-practice conferences, are shown by a generally recognized and clearly marked trend toward the use of higher standards of business conduct, superinduced largely through the cooperative nature of the trade-practice conference, bringing into closer relationship industries and the commission. The educational value of trade-practice conferences is attested by the fact that many engaged in business and industry were not aware, until a trade-practice conference was held, that competitive methods commonly used by them constituted actual violations of law, or that the unnecessary cost of indulging in unfair competition and wasteful practices, if abandoned at one and the same time by voluntary agreement of all in the industry, may be transformed from an item of expense to an increase in profit without adding to the price paid by the ultimate purchasers of their products.

REQUISITES OF A TRADE-PRACTICE CONFERENCE

A trade-practice conference is a voluntary proceeding duly authorized. by the Federal Trade Commission whereby an industry may assemble for the purpose of discussing any existing competitive conditions and unfair methods of competition with a view to improving such conditions and eliminating such methods of competition.

The first requisite of a trade-practice conference is a desire on the part of a sufficiently large number in that industry to eliminate such practices and to improve such conditions.

TRADE-PRACTICE-CONFERENCE PROCEDURE

Trade-practice conferences are usually authorized on applications from industries. At times they are initiated by the commission.

Before the commission authorizes a conference it must be satisfied that it has jurisdiction and that the holding of the conference is desirable and feasible. Determination of these questions may be aided by the thoroughness With which the industry makes application for the conference. The application may be in letter form and should contain information along the following general lines:

(1) A brief description of the business for which the conference is intended; the products manufactured or the commodities distributed should be named; the annual volume, production, capitalization, and like items should be approximated in order to give an idea of the

size and importance of the industry. It is at times difficult to judge the specific character of a business by the term ordinarily used therein to describe it.

(2) The application should state whether the proposed conference is to be national or sectional in scope. While conferences in practically all cases are held for an entire industry, they have in some instances been held for all in the industry situated within certain geographical limits. This is usually due to the fact that the practices, problems, and competitive conditions in one section differ from those in another; but in no instance, whether national or sectional, is a conference held solely for an association or group but for the whole industry. For this reason, the application, if made for those situated within geographical limits, should specifically describe such limits and give plainly the reasons for the limitations.

(3) The application should state whether the conference is in-tended for all branches of the industry or whether limited to branches such as manufacturers or manufacturers and distributors. Whether a conference should be limited to a specific branch depends upon the particular practices dealt with. If the resolutions adopted by manufacturers, for example, should be confined to practices which do not materially affect distributors, there would be no particular reason for including distributors. On the contrary, if the proposed actions involve distribution, distributors should be included.

(4) The application should state jurisdictional facts which should show (a) whether the applicants are engaged in interstate commerce and (b) whether the practices, or some of them, are unfair methods of competition, and whether these practices are in use in the industry at the time the application is made.

(5) The practices proposed for discussion should be named, and where necessary described. This does not limit the discussion at the conference to the particular subjects thus named, since the conference itself constitutes an open forum wherein discussion of any practice used in the industry is desired and encouraged.

(6) Authority of the person making the application should also be shown. If made by an association executive, a resolution showing the action of the association, together with the percentage of the industry represented by the membership should be submitted. If made by a small group, it should be signed by each member thereof.

(7) The application should be accompanied by a complete list of members of the industry, or such list should be furnished shortly after submission of the application. It should be divided, keyed, or symbolized to indicate association members, nonmembers, and types of concerns, such as manufacturers, distributors, etc.

When this information is received by the trade-practice conference division the director makes a report and recommendation to the commission with reference thereto. If the commission determines on a trade-practice conference, the industry is assembled at a time and place specified by it.

A commissioner of the Federal Trade Commission presides, but in order to give the widest possible range to the discussion of practices which may be proposed and to preserve the voluntary character of the conference those present are encouraged to organize by electing their own secretary for the conference.

After the industry has examined and freely discussed practices or methods the elimination of which would be beneficial and fair to all in the industry and to the public, resolutions are framed which, in the judgment of its representatives, are workable, and they are separately voted on.

Following the conference the proceedings are reported to the full commission through its division of trade-practice conferences.

This procedure deals with the industry as a unit. It is concerned solely with practices and methods, not at that time with individual offenders. It tends to wipe out on a given date all unfair methods condemned at the conference and thus place all competitors on an equally fair competitive basis in so far as such methods or practices are concerned. Mere attendance at a conference or actual participation in the deliberations thereat should not be taken as indication that any firm or individual thus participating has indulged in the practices condemned at such conference.

The commission charges its division of trade-practice conferences with the duty of coordinating and facilitating the work incident to the holding of trade-practice conferences, of extending the scope of such work within its proper sphere, of observing and studying the work of such, and of encouraging closer cooperation between business as a whole, and the commission in serving the public.

After a trade-practice conference is held, the commission retains its interest in the observance of the Group I rules of the conference by the members of the industry. The observance of Group II rules is a matter for the industry.[2] It is the duty of a committee of the conference to notify the commission of any violations of trade-practice conference rules. During the year ended June 30, 1932, there were 40 violations of trade-practice conference rules, all of which were settled without litigation, and at a minimum cost to both Government and respondents.

2 Rules approved and accepted by the commission relate to practices violative of the law and are designated Group I. Other rules accepted as expressions of the trade are classed as Group II.

PART V. GENERAL LEGAL WORK

DESCRIPTION OF PROCEDURE

LEGAL INVESTIGATION AND REVIEW

CONSOLIDATIONS AND MERGERS

STIPULATIONS

REPRESENTATIVE COMPLAINTS

ORDERS TO CEASE AND DESIST

TYPES OF UNFAIR COMPETITION

CASES IN THE FEDERAL COURTS

TABULAR SUMMARY OF LEGAL WORK

PART V. GENERAL LEGAL WORK

DESCRIPTION OF PROCEDURE

A case before the Federal Trade Commission may originate in several ways.

The most common origin is through application for complaint by a competitor or from other public sources. Another way in which a case may begin is by direction of the commission.

No formality is required for anyone to make an application for a complaint. A letter setting forth the facts in detail is sufficient, but it should be accompanied by all evidence in possession of the com-plaining party in support of the charges being made.

INFORMAL PROCEDURE (CONFIDENTIAL RECORD)

When such an application is received, the commission, through its legal investigating division, considers the essential jurisdictional elements; Is the practice complained of being carried on in interstate commerce? Does it come under jurisdiction of the Federal Trade Commission act, section 5, prohibiting unfair methods of competition?[1] Would the prosecution of a complaint in this instance be in the public interest?

It is essential that these three questions be capable of answer in the affirmative.

Frequently it is necessary to obtain additional data by further correspondence or by a preliminary investigation before deciding whether to docket an "application for issuance of complaint."

Once an application is docketed it is assigned by the chief examiner to an examining attorney or a branch office of the commission for investigation. It is the duty of either to obtain all facts regarding the matter from both the applicant and the proposed respondent.

Without disclosing the name of the applicant, the examiner inter-views the party complained against, advising of the charges and requesting submission of such evidence as is desired in defense or explanation.

After developing the facts from all available sources, the examining attorney summarizes the evidence in a final report, reviews the law applicable thereto, and makes a recommendation as to action.

1 Or of one or more of those sections of the Clayton Act administered by the commission? See p.157.

The entire record is then review able by the chief examiner. If it appears to be complete, it is submitted with recommendation to the board of review or to the commission for consideration. Recommendations for dismissal outright or upon the signing by the pro posed respondent of a stipulation of facts and an agreement to cease and desist from the unlawful practice charged ordinarily are sent direct to the commission. Recommendations for complaint and for certain types of stipulations go to the board of review.

If submitted to the board of review, all records, including statements made by witnesses interviewed by the examiners, are reviewed and passed on to the commission with a detailed summary of the facts developed, an opinion based on the facts and the law, and the board's recommendation.

The board may recommend (1) dismissal of the application for lack bf evidence in support of the charge or on the grounds that the charge indicated does not violate any law over which the commission has jurisdiction, or (2) dismissal of the application upon the signing by the proposed respondent of a stipulation of the facts and an agreement to cease and desist the unlawful practice charged, and (3) issuance of a complaint without further procedure.

Usually if the board believes that complaint should issue it, grants the proposed respondent a hearing. Such hearing is informal, involving no taking of testimony.

The foregoing procedure is applied in all cases except those pertaining to false and misleading advertising in newspapers and periodicals as handled by the special board of investigation. (See p. 44.)

Up to this point the procedure is informal and for the purpose of furnishing information to the commission. Nothing in regard to a case in this stage is made public, except in cases disposed of by stipulation, and even then only the facts are given, for information of the public and benefit of the industry involved; the names of parties stipulating are not revealed, unless the stipulation is for the public record. Withholding of names in informal cases is for protection of the respondent, against whom no formal complaint has been ordered or served.

FORMAL PROCEDURE (PUBLIC RECORD)

Only after most careful scrutiny does the commission. issue a complaint. Unlike the preliminary inquiries and applications for complaint, which are informal, the complaint and the answer of respondent thereto and subsequent proceedings are a public record. The case is now in change of the commission's chief counsel for preparation of complaint and trial of the case.

A complaint is issued in the name of the commission acting in the public interest. It names a respondent and charges a violation of

law, with a statement of the charges. The party first Complaining to the commission is not a party to the complaint when issued by the commission, nor does the complaint seek to adjust matters between parties; the proceeding is to prevent unfair methods of competition for the protection of the public.

The commission's rules of practice and procedure provide that in case the respondent desires to contest the proceedings he shall, within 30 days from service of the complaint, file with the commission an answer to the complaint. The rules of practice also specify a form of answer for use should the respondent decide to waive hearing on the charges and not contest the proceeding.

Failure to appear or to file an answer within the time specified--

shall be deemed to be an admission of all allegations of the complaint and to authorize the commission to find them to be true and to waive hearing on the charges set forth in the complaint.

In a contested case the matter is set down for taking of testimony before a trial examiner. This may occupy varying lengths of time according to the nature of the charge or the availability and number of witnesses to be examined. Hearings are held before a commission trial examiner, who may sit in various parts of the country, the commission and the respondent each being represented by their own attorneys.

After the taking of testimony and the submission of evidence on behalf of the commission in support of the complaint, and on behalf of the respondent, the trial examiner prepares a report of the facts for the information of the commission, counsel for the commission, and counsel for the respondent. Exceptions to the trial examiner's report may be taken by either counsel for the commission or counsel for the respondent.

Within a stated time after receipt of the trial examiner's report, briefs are filed and the case comes on for final argument before the full commission. Thereafter the commission reaches ft decision either sustaining the charges or the complaint or dismissing the complaint;

If the complaint is sustained, the commission makes a report in which it states its findings as to the facts and conclusion that the law has be en violated, and thereupon an order is issued requiring the respondent to cease and desist from such practices.

If the complaint is dismissed, an order of dismissal is entered.

These orders are final functions of the commission as far as its own procedure is concerned.

CASES MAY BE TAKEN TO FEDERAL COURTS

No penalty is attached to an order to cease and desist but a respondent against whom it is directed is required within a specified

time, usually 60 days, to report in writing the manner in which he is complying with the order. If he fails or neglects to obey an order while it is in effect, the commission may apply to a United States circuit court of appeals for review of the commission's order.

The respondent may also petition for review. The circuit courts have power to affirm, modify, or set aside the order of the commission. These proceedings may be carried by either party on certiorari to the Supreme Court of the United States for final determination.

LEGAL INVESTIGATION AND REVIEW

PRELIMINARY INQUIRIES

When the fiscal year began there were pending 307 preliminary or undocketed cases of alleged unfair methods of competition. During the year 1,659 new applications for complaint were received.[2] Preliminary investigations were made by the chief examiner in 1,543 of these cases, leaving 423 undocketed applications for complaints yet to be handled.

Of the preliminary cases, 317 were docketed as regular applications for complaint. These, with 198 pending at the first of the year, totaled 515, of which 378 were disposed of during the year.

A considerable number of attorneys usually assigned to regular unfair-competition cases were engaged on special investigations directed by Congress. However, the regular work has been kept well in hand. The average length of time on all docketed applications as of June 15 of the present year was but four days more than at the same date. last year. This is shown in the following statement:

Date	Docketed applications on hand 6 months or more at date of report	Average length of time of all docketed applications on hand at date of report: Months	Days
1928-- Feb. 15	97	9	16
Apr.15	95	8	26
June 15	86	8	13
Aug. 15	78	7	26
Oct. 15	70	7	21
Dec. 15	66	6	15
1929-- Feb. 15	61	5	21
Apr. 15	62	5	17
June 15	49	5	13
Aug. 15	47	5	16
Oct. 15	52	4	25
Dec.15	44	4	23
1930-- Feb. 15	41	4	22
Apr. 15	42	4	21
1930-- June 15	46	4	4
Aug. 15	47	4	15
Oct. 15	15	4	50
Dec.15	72	5	5
1931-- Feb. 15	61	5	12
Apr. 15	75	5	10
June 15	65	5	10
Aug. 15	58	5	10
Oct. 15	60	5	21
Dec. 15	53	6	10
1932-- Feb. 15	51	6	0
Apr. 15	47	5	16
June 15	42	5	14

2 For further statistics on legal cases see numerical summary. p.117.

During the last year the chief examiner, at the direction of the commission, met in conferences with members of the State Department, various other branches of the United States Government, and representatives of the Spanish Embassy for discussion, with a view to arriving at some solution under existing laws of trade complaints due to the use by American firms of labels and trade names suggestive of Spanish origin on American products.

Another part of the legal investigating work is to conduct, by direction of the commission or on requests of different units of the commission, supplemental investigations in cases where (1) formal complaints have issued, (2) Violations of stipulations entered into with the commission are involved, or (3) where it may appear that the commission's orders to cease and desist are being violated. These investigations may be at the direction of the commission or as a result of complaints from other sources.

The investigating and other work of the commission is carried on from Washington and through four branch offices, located at 45 Broadway, New York City; 608 South Dearborn Street, Chicago; 544 Market Street, San Francisco ; and 421 Lyon Building, Seattle. Business men and others desiring to bring matters of complaint to the attention of the commission can consult at these places with well-qualified representatives of the commission.

BOARD REVIEWS CASES FOLLOWING INQUIRIES

Following preliminary investigation by the chief examiner's staff, 114 applications for complaint were reviewed by the board of review, which consists of four attorneys. One hundred and three of these cases were forwarded during the Year, leaving 11 pending at the close. Of this number 45 applications were recommended for dismissal, 21 for complaint, 19 for stipulation, while in 10 cases further investigation was recommended and in 8 there were miscellaneous recommendations. In connection with these applications 24 hearings were held.

CONSOLIDATIONS AND MERGERS

FEW SUCH COMBINATIONS ARE RECORDED

The year ending June 30, 1932, was a year of comparatively few consolidations and mergers. Only one consolidation or merger was investigated by this office during the last year to every four for the year 1929.

The year seems to have been noteworthy for the number of companies passing into receivership or undergoing reorganization, rather than for the number of consolidations and mergers. There

has been a gradual decline in the number of consolidations and mergers effected since 1929. Whereas the commission inquired into some 200 important industrial acquisitions, consolidations, and mergers three years ago, it was only necessary to institute some 50 like inquiries during the fiscal year just closed. The number of companies undergoing reorganization, which included the acquisition and consolidation of subsidiary interests chiefly because of economic necessity, and the number of concerns passing into the hands of receivers probably exceeded the total number of consolidations and mergers effected during the year.

Twenty-two preliminary inquiries involving acquisitions, consolidations, and mergers were pending at the beginning of the year. Fifty-two additional inquiries were instituted during the year, and 6 were pending at the close of the year, indicating a disposition of 68 preliminary matters during the year, of which 67 were filed without docketing.

Of the 67 matters filed without docketing, 42 involved the acquisition of. assets, 21 involved the acquisition of capital stocks, and 4 pertained to matters which failed of consummation.

Among the 42 asset-acquisition matters considered and file d, 28 involved competitive products--of which 2 companies were in receivership and 2 did strictly an intrastate business--and 14 involved noncompetitive or complementary products.

Among the 21 capital-stock-acquisition matters considered and filed, 9 involved noncompetitive or complementary products, 9 involved situations in which substantial competition could not be established, 2 involved matters wherein substantial competition was existent, but the acquired units were in receivership or in severe financial difficulties, and 1 was filed because of the inability to establish a tendency toward monopoly in compliance with the court decision in the commission's case against V. Vivaudou (Inc.), handed down in November, 1931. (See p.114.)

Ten docketed matters involving section 7 of the Clayton Act were pending at the beginning of the year; 2 were docketed during the year; 4 were dismissed or disposed of during the year; and 8 were pending at the close of the year.

Eight complaints involving section 7 of the Clayton Act were pending at the beginning of the year; 1 was issued during the year; 5 were dismissed during the year; and 4 were pending at the close of the year.

There were no section 7 matters pending in the courts at the close of the year.

The Supreme Court decision in the Thatcher Manufacturing Co., the Swift, and the Western Meat Co. cases precludes commission

action in cases where, although capital stock has been acquired, a consolidation or merger is later brought about through the acquisition of assets before the final determination of the matter. The Supreme Court decision in the International Shoe Co. case has the effect of precluding commission action in cases where the acquisition, consolidation, or merger is effected through the purchase of capital stock and where the facts fail to disclose a substantial lessening of competition in the same area or areas in strictly comparable products.

The Clayton Act may be said to apply only to those situations wherein the acquisition, consolidation, or merger is effected, through purchase of capital stock with the result of substantially lessening or eliminating competition or restraining commerce in any section or community or where a tendency to monopolize any line of commerce is created.

STIPULATIONS

COMMISSION APPROVES 372 AGREEMENTS DURING YEAR

Stipulations in which various individuals and companies agreed to cease and desist from unlawful practices charged were approved and accepted by the commission during the fiscal year in 160 cases, digests of which may be found beginning on page 217.

During the 6 ½ years in which the stipulation system had been in effect, as of June 30, 1932, a total of 997 stipulations had been approved and accepted by the commission.

These cases are in addition to 212 stipulations concerning cases of false and misleading advertising. (See p.229.)

Applications for complaint are frequently disposed of by the stipulation method, particularly in cases where the practice complained of is not so fraudulent or vicious that protection of the public demands the regular procedure of complaint. The question of whether a respondent shall be permitted to sign a stipulation is entirely within the discretion of the commission, as the disposition of a case by stipulation is not a right but a privilege extended by the commission.

The stipulation procedure provides an opportunity for the respondent to enter into a stipulation of the facts and voluntarily agree to cease and desist forever from the alleged unfair methods set forth therein. Such stipulation is subject to the final review and approval of the commission.

A potential respondent decides he would rather quit the practice of which complaint is made than go through with trial of a formal complaint. If the commission approves such a course, he signs an agreement to “cease and desist forever” from the unfair practice

with the understanding that should he ever resume it the facts as stipulated may be used in evidence against him in the trial of a com-plaint Which the commission may issue.

Publicity regarding stipulations is especially valuable to the other members of an industry to which a signer of such an agreement belongs. With this in mind the commission, in releasing for publication the facts surrounding a given stipulation, emphasizes the name of the commodity or industry involved so that newspaper or trade-paper representatives, trade-association secretaries, and members of the industries concerned may make note thereof. Names of respondents are not divulged, except occasionally, when a stipulation agreement is designated for the "public record."

Commodities mentioned in stipulations. are of an infinite variety. Taken at random there would be such a list as follows: Hats, shoes, suit goods, fly-catching devices, tombstones, toy airplanes, perfumes, blankets, electrotherapeutic instruments, synthetic beverages, horse-shoes, radio cabinets, sea food, and tooth paste.

The commission believes that its stipulation procedure is protecting the American consumer from numerous unfair methods of competition which, in the aggregate, are an important consideration. It is apparent also that large sums of money that otherwise would be spent in litigation are being saved the public.

REPRESENTATIVE COMPLAINTS

MAJORITY INVOLVE UNFAIR METHODS OF COMPETITION

All but 1 of the 92 formal complaints issued during the year charged the use of unfair methods of competition violative of section 5 of the Federal Trade Commission act, including one which involved the alleged violation of the Federal Trade Commission act as extended by section 4 of the export trade act. The One remaining complaint issued charged violation of section 7 of the Clayton Act by the acquisition of the capital stock of competing concerns. No complaints were issued during the year under the three other sections of the Clayton Act administered by the commission, namely, section 2 (price discrimination), section 3 (tying contracts), and section 8 (interlocking directorates).

Herewith are presented brief summaries of the charges contained in a few of the complaints issued by the commission during the fiscal year. Unless otherwise indicated, the practices charged are violative of the Federal Trade Commission act. These complaints are fairly representative. [3]

[3] Attention is especially invited to the fact that most of these complaints are pending, and, consequently, the commission has reached no determination as to whether the law has been violated as charged therein.

ACQUIRING CAPITAL STOCK OF COMPETITOR

Clayton Act, section 7.--It was alleged that the respondent, which is both a holding and operating company, owned the capital stock of a corporation engaged in the manufacture and interstate sale of wire strand, wire rope, and cable, and in January, 1930, acquired all the capital stock of a corporation also engaged in the manufacture and interstate sale of wire strand, wire rope, and cable.

It is further alleged that the commission's complaint that for several years prior to the acquisition of stock of the latter company in 1930, the company owned and operated by the respondent before the acquisition, was in direct and substantial competition in interstate commerce with the company whose capital stock was acquired in 1930 ; that the value of the sales of the products of the two operating companies were $2,500,000 each, four-fifths of which were in the same States.

It is further alleged that the acquisition by the respondent of the capital stock of the corporation in 1930, as alleged, was contrary to law and in violation of section 7 of the Clayton Act, and the effect of such acquisitions has been, is, or may be (a) to substantially lessen competition in interstate commerce between the two operating companies; (b) to restrain commerce in the sale of wire strand, wire rope, cable, etc., in those sections or communities where the operating companies were in competition prior to the acquisition; and (c) to tend to create a monopoly in the sale and distribution in interstate commerce of wire strand, wire rope, cable, etc.

RESTRAINT OF TRADE IS CHARGED

In a complaint issued in April, 1932, and amended in May, 1932, but only as to names of the respondents, the commission charged a number of corporations and an individual with entering into an agreement, combination, and conspiracy for the purpose and with the effect of fixing and depressing prices for waste paper purchased in Chicago and used by such corporations in the manufacture of cardboard boxes, and of similar products. The complaint charges that prior to the combination the respondent corporations purchased waste paper in Chicago in open competition with one another, but that in May, 1929, the conspiracy was entered into and consisted of the adoption and maintenance of a plan or scheme by which the individual respondent was to and did, acting for the corporation respondents, buy for them (but only from dealers approved by them) in the Chicago market waste paper available in that market, as the result of which waste paper buying prices were fixed and depressed, competition in bidding for waste paper was eliminated, and dealers

in Waste paper in the Chicago market were deprived of the competition previously existing among respondent corporations in the purchase of such waste paper.

The combination is alleged to have had certain elements of boycott. Among them were these: (1) The respondents would not purchase waste paper from dealers who refused to sell at the prices fixed by the combination; (2) respondents refused to purchase waste paper from dealers who had purchased for resale such waste paper from dealers not approved by the respondents.

The complaint further charged that, for the purpose of keeping prices for waste paper in the Chicago market depressed, respondents at various times made large purchases of waste paper outside of the Chicago territory.

It is alleged that the combination lessened, restricted, and sup-pressed competition in the purchase of waste paper and made the prices substantially uniform and noncompetitive; that it depressed the price of waste paper; closed and curtailed the outlets of wastepaper dealers, and that as a result of these effects and by reason of the large volume of waste paper purchased by the respondent corporations they made and set prevailing prices for waste paper and thus obstructed the natural flow of commerce in the sale of waste paper and of waste-paper products.

AGREEMENTS IN RESTRAINT OF TRADE

In October, 1931, the commission issued a complaint against an association of ammunition manufacturers and its members, including practically all of the large manufacturers of ammunition, charging them with the use of unfair methods of competition in interstate commerce in violation of section 5 of the Federal Trade Commission act.

It is alleged in the complaint that the members of the association entered into a combination or conspiracy among themselves and with the association to restrain and suppress competition in the sale and distribution of shotgun shells and small-arms ammunition by fixing uniform prices, terms; and discounts, including arbitrary freight allowances to be observed by them in the sale of such products and by their jobber customers in the resale of such products.

It is also alleged that the members of the association have agreed to maintain the uniform prices, terms, and discounts thus fixed and have arbitrarily advanced the prices of ammunition. It is also alleged that the members of the association have agreed to restrict the sale of ammunition to distributors who adopted and maintained resale prices fixed by the members of the association and the mem-

bers would refuse to sell mail-order houses and others, who would not maintain such resale prices.

Among the activities listed in the complaint as being performed by the members of the association pursuant to the conspiracy to suppress competition are the following:

Publishing uniform list and suggested resale prices.
Advancing the net and suggested resale prices on ammunition.
Abolishing all discounts on ammunition.
Refusing to sell ammunition to mail order houses and others who would not maintain suggested resale prices.
Adopting and maintaining uniform seasonal terms and discounts.
Adopting and observing uniform allowances for freight with established equalization points.
Discontinuing distribution of free ammunition.
Refusing to sell on consignment.
Refusing to manufacture special brands.
Adopting and observing uniform conditions of guarantee against decline
Exchanging information with the executive manager of the association as to the performance of these activities.

It is also alleged in the complaint that the activities and practices described have resulted in substantially lessening competition in the sale, in interstate commerce, of shotgun shells and small-arms ammunition; the development of uniform prices; enhancement of wholesale and retail prices; and curtailment of sources of supply for mail-order houses, and hardware jobbers.

Answers have been filed to the foregoing complaint denying the allegations and evidence is being taken under the complaint and answers.

UNFAIR METHODS IN FOREIGN TRADE

Federal Trade Commission act, section 5, as extended by section 4, export trade act.--One complaint was issued during the fiscal year charging violation of the export trade act.

It is alleged that the respondent ships gasoline in cases of two cans of standard size with a capacity of 5 gallons each but filled only to the extent of 9.6 gallons per case, or in other quantities less than 10 full gallons per case. It is alleged in some instances that both the cases and cans are unmarked as to the contents, while in other instances the cases are stamped “2/5 gallon tins,” or the cans are stamped “5 U. S. gallons.”

While it is set forth in the complaint that respondent indicated the exact liquid contents of such shipments on its quotation blanks and invoices and that the original purchaser is not misled, yet it is contended that such practice places in the hands of retailers and other sellers an instrument of fraud by means of which the ultimate consumer is misled and competitors injured.

Respondent in its answer alleges that the instances in which it sold gasoline as alleged in the complaint were few in number and were pursuant to specific orders, all of which were prior to the issuance of complaint. It is further contended by respondent that when standard size cans are filled to full 5-gallon capacity, not enough room is left for gas expansion.

DISPARAGEMENT AND MISREPRESENTATION OF CIGARS

In March, 1932, the commission issued a complaint against a cigar manufacturer, based on alleged misrepresentations of its own products, and disparagement of competitor's products, in the advertisement, sale, and distribution of certain machine-made cigars.

It is alleged that the respondent corporation, in its advertisements and other literature, decries, as filthy, insanitary, and generally repulsive and unhealthy, the use of the so-called practice of "spit-tip-ping" in the manufacture by hand of more than half of all the cigars made in this country, as contrasted with its own alleged certified and sanitary methods of manufacture under which "every leaf, entering its factories, is scientifically treated by United States Government approved methods," when in truth and in fact the processes of manufacturing cigars by hand do not now generally involve the practice known to the trade and purchasing public as "spit-tipping," or finishing the head of a cigar with saliva, and when in truth and in fact neither the United States Government, nor any department or bureau thereof, has officially, or otherwise, approved the methods used by respondent in the treatment of its tobacco or the cigars made by it therefrom.

It is alleged that the aforesaid disparaging statements about competing products and misrepresentations of its own products tend to, and do, prejudice and injure competitors and the public generally, unfairly divert trade from said competitors, and operate as a restraint upon, and detriment to, freedom of fair and legitimate competition.

Respondent filed its answer July 26, 1932.

MISREPRESENTATION OF WATCHES

A respondent corporation, engaged in manufacturing watches and watch parts, and in their sale and distribution in interstate commerce, is charged, in a complaint issued by the commission in June, 1932, with advertising in circulars, catalogues, newspapers, magazines, and other publications circulated in interstate commerce, and by means. of radio broadcasts, statements, and representations that its watches contain a designated number of jewels, every one of which serves a mechanical purpose as a friction bearing, when in truth and in fact they do not contain the stated number of jewels.

Said respondent is further charged with representing, in the aforementioned advertising matter and upon the barrel bridges of the watches themselves, that the said watches so manufactured and sold by it are adjusted so as to import or imply that the said watches have been adjusted to heat, cold, isochronism, and position, when in truth and in fact said watches or the movements thereof were not, and had not been, adjusted by respondent to heat, cold, isochronism, and position, as the term "adjusted" is generally understood in the industry and by the purchasing public.

It is alleged that the said representations have misled and deceived the purchasing public, have induced the purchase of respondent's watches in reliance upon an erroneous belief that said representations were true, and have tended to divert trade from and otherwise injure competitors.

Answer to the complaint was filed July 13 , 1932.

MISBRANDING AND MISREPRESENTING MATTRESSES

In September and October, 1931, respectively, the commission issued complaints against two concerns based on alleged misbranding and misrepresentation of the mattresses made by them. In both cases the respondents are individuals manufacturing mattresses and selling and distributing them in interstate commerce to furniture dealers and others.

It is alleged in both cases that respondents have represented by labels and otherwise that the mattresses so sold and distributed are composed entirely of new material, when in truth and in fact said mattresses were composed of secondhand and used materials, such as cotton, cotton felt, cotton rags, jute, wool, woolen rags, and wool mattress ticking, all of which materials were secondhand, and in many instances filthy or unclean.

It is further alleged that the said misbranding and misrepresentations of the contents of their mattresses tended to induce, and have induced, the purchase of respondents' products, to the injury of the public and of the competitors of respondents.

Both respondents have answered, denying generally the allegations of the complaints.

PURCHASE OF TESTIMONIALS OR ENDORSEMENTS

Several complaints were issued during the fiscal year charging the respective respondents with the use in advertising of testimonials or endorsements for which substantial sums of money were paid or other valuable consideration given.

In one case it is alleged that respondent paid to numerous prominent women sums ranging from $100 to $10,000 for such endorsements, together with consent for their use in advertising. Also, that other endorsements were obtained from screen and stage stars who received in return valuable publicity as a result of their use.

It is alleged that such endorsements so secured are neither voluntary nor unbiased, and that their publication without revealing the means of their procurement implies to the purchasing public that they are given voluntarily, without consideration, and that they ex press the respective indorser's unbiased opinion, thus inducing the public to buy the products involved as the result of such erroneous beliefs, to the injury of competitors.

Answers of respondents were duly filed. In them respondents admit the use of such endorsements as alleged but assert that all were bona fide and that the considerations involved were given to secure consent for their use It is denied that the public is misled or that competitors are injured. Respondents further contend that the commission is without authority to act in the premises The commission has not yet decided what the future of these cases will be in view of the recent action of the United States Circuit Court of Appeals for the Second Circuit, setting aside the commission's cease and desist order against Northam Warren Corporation in a similar case. In this latter case the commission has asked the Solicitor General to apply to the Supreme Court of the United States for a writ of certiorari.

MISREPRESENTATION OF CORRESPONDENCE-SCHOOL COURSES

In May, 1932, the commission issued a complaint against two Chicago corporations and one individual who was the president and principal stockholder of the two corporations. The respondents were advertising for sale and selling correspondence courses of instruction. One of the courses was intended to impart information in the subject which was termed by the respondents as "Pedopractic." This was represented as a course of instruction in drugless and nonsurgical methods for the alleviation and correction of foot ailments. The respondents asserted it was possible for their students to become foot specialists by taking this course. It was said further that such students could practice this science while they were still students and that a business could be built up which would pay them "thousands yearly."

Another course of instruction offered for sale and sold by respondents was physiotherapy or drugless healing. Similar representations were made regarding possibilities for lucrative returns in connection with the practice of this science.

In connection with both courses the respondents also represented that the money paid by students for either one of the courses would be refunded in case they were dissatisfied.

It is alleged in the complaint that the lucrative earnings held out to prospective students by respondents are neither always nor usually obtained by students of respondents' courses. It is further alleged that not only is it not possible in most States for students of respondents' courses to practice such sciences for pay while studying the course but that respondents' schools are not recognized schools within the meaning of statutes in most States providing for a licensing of various types of drugless healers, and that in most States a graduate of the respondents' schools would not be able to practice without first obtaining a license.

It is further alleged in the complaint that the "money-back agreement" is not as represented by respondents in their advertising matter.

MISREPRESENTATION OF PATENT MEDICINES

A number of complaints were issued involving alleged misrepresentations of the remedial qualities or effects of so-called "patent" medicines and various appliances designed and represented to aid in correcting different bodily conditions. One such involves a preparation described as a saline laxative, but which is represented and advertised as a treatment or remedy for obesity. It is alleged that said preparation is merely a laxative or diuretic. Respondent denies in its answer that it represents said preparation to be a cure or remedy for obesity, but alleges that it will reduce excess fat and that it is so represented in its advertisements. Respondent also denies that the commission has jurisdiction in the premises.

RENOVATED HAT CASES

The renovated hat cases mentioned in the annual report of the commission for the fiscal year ended June 30, 1931, were recently in course of trial and are expected soon to be brought on for final hearing before the commission.

These cases involve the practice of respondents of buying secondhand, old, used, and discarded men's felt hats which are then dry-cleaned, steamed, ironed, and shaped by respondents. They are then relined and fitted with new ribbons, sweatband, and size labels. The new linings and sweatband bear various names and descriptions. The respondents sell these hats to jobbers, who in turn resell them to retailers, by whom they are sold to the public.

It is charged that the hats are sold by respondents do not bear any marks or other indications that they are used hats which have been

renovated and made over, and further that these hats are sold to the public by the retail dealers without the public being advised that the hats have been previously worn and renovated. Respondents vigorously deny that the practices charged constitute unfair methods of competition.

During the present fiscal year seven additional complaints have been issued against various respondents engaged in the same line of business charging the same practices as described above.

OTHER TYPES OF MISREPRESENTATION

Other cases in which the commission during the year has issued complaints involving misrepresentation have ranged from mis-leading statements to actual fraud. These cases include a wide range of commodities and businesses, among which are alfalfa seed, automobile equipment, gasoline and kerosene, mirrors, mattresses, cigars, jewelry, silverware, cotton goods, rayon fabrics, radium, bay rum, groceries, umbrellas, cosmetics, wood rules, coffee, neckwear, lumber, paint, boiler nozzles, electric-lighting bulbs and fixtures, flour, cutlery, stationery, furs, candy, hosiery and lingerie, antiknock fluids, coal, yeast tablets, fountain pens, tooth paste, oleomargarine, proprietary medicines, flavoring extracts, malt syrup, correspondence courses, and stock and poultry remedies.

FENDING CASES AT CLOSE OF YEAR

At the end of the fiscal year 204 formal, public record cases involving charges of unfair methods of competition in violation of section 5 of the Federal Trade Commission act, were pending. Among the practices embraced in these cases were combinations and agreements to fix prices, suppress competition, and restrain trade, lottery schemes, commercial bribery, and various forms of misbranding and deceptive. representations.

ORDERS TO CEASE AND DESIST

SIXTY-THREE ORDERS ARE ISSUED IN FISCAL YEAR

The commission issued orders to cease and desist in 63 cases during the year.

As in past years, respondents upon whom the commission served its orders have, in a great many cases, accepted their terms and filed reports with the commission signifying compliance therewith. In some of the cases the respondents opposed the proceeding and probably will file petitions for review of the commission’s findings and orders with the United States Circuit Courts of Appeal.

The orders to cease and desist issued during the year are listed as follows:

Orders to cease and desist issued during year

[For details, see p. 171]

Respondent	Location	Method of competition
Alexander-Martin Co. et al	Grand Rapids	Representing ready-made clothing as tailor-made clothing; representing merchandise is given free of charge
Aviation Institute of U.S.A. (Inc.).	Washington, D.C.	Representing indorsement by and affiliation with the United States Government.
Bailey Radium Laboratories (Inc.) et al.	East Orange, N.J.	Misrepresenting therapeutic value; representing that product is harmless.
Barnes, C. Arlington	Providence, R. I	Representing respondent is an importer.
Beacon Manufacturing Co	New Bedford	Representing machine-made products as products made by hand by the Indians
Brandler. Joseph P	New York City	Misbranding
Breithart Institute of Physical Culture (Inc.).	do	Misrepresenting effectiveness of course and total cost; misrepresenting faculty.
Brooks & Co., T E	Red Lion, Pa	Misbranding
Brooten & Sons, H. H. (Inc.)	Cloverdale, Oreg	Misrepresenting therapeutic value.
Brown Fence & Wire Co	Cleveland	Representing that respondent manufactures all products sold and that the middleman's profit has been eliminated.
Crescent Creamery Co. (Inc.)	Sioux Falls	Disparaging competitors' product.
"Dakota Alfalfa Growers"	Mitchell, S. Dak	Representing the middleman's profit has been eliminated; simulating tags indicating high quality; representing product has been selected inspected, and certified.
Douglis & Co., A. S., et al	Chicago	Lottery.
Ebroclo Shirt Co. (Inc.)	Greensboro, N. C	Misbranding; representing respondent is a manufacturer and that the middleman's profit has been eliminated.
Elby Extract Co	New York City	Representing respondent is an importer; representing domestic products as imported products.
Fidelity Hop & Malt Corporation et al.	Chicago	Representing domestic products as imported products.
Fleming Bros	do	Misrepresenting therapeutic value.
Franklin Paint Co	Cleveland	Misrepresenting ingredients and quality; representing respondent is a manufacturer and that the middleman's profit has been eliminated
Globe Supply Co	Detroit	Misbranding.
Goodyear Manufacturing Co	Kansas City, Mo.	Simulating name of competitor; representing respondent is a manufacturer; quoting regular price as a special offer.
Green River Malt Co	Boston	Representing domestic products as imported products.
Greenberg & Josefsberg	New York City	False and misleading advertising.
Herman Co., John C	Harrisburg	Misbranding; false and misleading advertising.
Ineeto (Inc.)	New York City	Misbranding; using fictitious endorsements; false and misleading advertising.
Keppel & Bro., R. F. (Inc.)	Lancaster, Pa	Lottery.
Knapik & Erickson	Chicago	Misbranding.
Knickerbocker Watch Co	New York City	Do.
Lenape Hydraulic Pressing & Forging Co.	Lenape, Pa	False and misleading advertising.
Liberty Umbrella, Co. et al	New York City	Do.
Macfadden Publications Inc.).	do	Quoting regular price as reduced price; false and misleading advertising.
Madison Mills (Inc.)	do	Representing respondent is a manufacturer and that the middleman's profit has been eliminated; misrepresenting terms under which goods will be shipped C.O.D. and refunds made; filling orders by substitution.
Madison Paint Co	Cleveland	Misrepresenting ingredients and Quality; representing respondent is a manufacturer and that the middleman's profit has been eliminated.
Manchester Cigar Co	York, Pa	Misbranding.
Mechanical Manufacturing Co. et al.	Chicago	Reciprocal patronage.
Metal The Construction Co. (Inc.).	New York City	False and misleading advertising.
Mutual Publishing Co. et al	Kansas City, Mo	Representing that certain well-known persons have contributed to and/or indorsed respondents' publications; using different names to designate books that are practically identical; quoting regular price as reduced price; false and misleading advertising; securing signatures to contracts of sale by subterfuge.

Orders to cease and desist issued during year--Continued

[For details, see p.171]

Respondent	Location	Method of competition
National Dairy Union	Washington, D. C	Disparaging competitor' product.
New Science Institute	Steubenville, Ohio	Misrepresenting therapeutic value; disparaging competitors' products.
Nix-Nox Co	Dallas	Misrepresenting effectiveness of product.
Northam Warren Corporation.	New York City	Using testimonial: without in in that they have been given for a monetary consideration.
Para Paint & Varnish Co	Cleveland	Misbranding.
Perfolastic (Inc.)	New York City	Quoting regula price as a special offer for a limited time only; false and misleading advertising.
Philadelphia Hosiery Mills	Philadelphia, Tenn.	Misbranding.
Princess Silk Mills	New York City	Representing respondent is a manufacturer; false and misleading advertising.
Progress Paint Co	Cleveland	Misrepresenting ingredients and Quality; representing responds a manufacturer and that the middleman's profit has been eliminated.
Providence Malt Co	Providence, R. I	Representing domestic products as imported products.
Ralston University Press	Meriden, Conn	Misrepresenting educational status and classification
Reliance Pencil Corporation	New York City	Representing respondent is a manufacturer.
Rubinstein Helena (Inc.)	do	Resale price maintenance.
Sanford Mills et al	Sanford, Me	Misbranding; false and misleading advertising.
Sculler, Joseph	Columbus, Ohio.	Representing respondent is a manufacturer and an importer.
Sheinker & Son, W., et al	New York City	Representing domestic products as imported products.
Sheldon Co., Albert K	Boston	Misbranding.
Silktex Hosiery & Lingerie Co. et al.	Philadelphia	Representing respondent is a manufacturer; false and misleading advertising.
Smith, Herbert L	Windsor, Pa	Misbranding; false and misleading advertising.
Snyder & Sons, W. H	do	Misbranding.
Standard Education Society et al.	Chicago	Representing that certain well-known persons have contributed to and/or indorsed respondents' publications; using different names to designate books that are practically identical; using fictitious testimonials; quoting regular price as reduced price; false and misleading advertising.
Textileather Co	New York City	Misbranding; false and misleading advertising.
United State: Pencil Co. (Inc..)	do	Representing that respondent is a manufacturer.
United Tailoring Co. (Inc.)	do	Representing ready-made clothing as tailor made clothing; representing merchandise is given free of charge.
Waugh Equipment Co. et al	Depew, N.Y.	Reciprocal patronage.
Western Leather Clothing Co	St. Louis	Misbranding.
Whirlwind Carburetor Co.	Milwaukee	Misrepresenting effectiveness of product.

REPRESENTATIVE CASES RESULTING IN ORDERS

A number of representative cases resulting in orders to cease and desist issued during the fiscal year are described below. Unless otherwise indicated these orders pertain to violations of the Federal Trade Commission act.

COERCIVE COMPETITIVE PRACTICES

Waugh Equipment Co., Depew, N. Y.--The corporation respondent is a manufacturer of railroad equipment described as draft gears, which it sells to railroad companies for

use on freight cars to absorb the shock when the cars come together in switching and in the general operation of a train.

The other respondents are individuals officially connected with Armour & Co., large Chicago meat packer, in charge of routing Armour products, who became associated with the Waugh Equip-

ment Co. in 1924 when they were given one-third of the promotion stock of that company (1,666 shares) as consideration for an agreement or understanding between them and the corporation, whereby these individual respondents would use their influence with railway traffic officials and, through them, the executive and purchasing departments, to obtain orders for draft gears for the Waugh Equipment Co.

As alleged and found by the commission, the respondent corporation, cooperating with the individual respondents pursuant to such agreement, was enabled to and did make substantial sales of Waugh draft gears during the last three or four years to leading railroad companies of the country, who were induced to purchase the Waugh gears in preference to the competitive gears because of the promises and assurances of Armour freight traffic to be shipped over their lines if they purchased the Waugh draft gears.

The commission found that the effect of these practices leads to the injury of the public and competitors of the respondent corporation, because they unduly tended to suppress competition between the respondent and competing manufacturers of draft gears and to create a monopoly in the respondent corporation in the sale and distribution of draft gears.

The commission also found that the respondent, cooperating with. the individual respondents, had created and taken advantage of a competitive weapon, oppressive and coercive in nature, which prevented customers from exercising their free will and. judgment in determining which device is the most efficient, and had thus injected an element into the competitive field in which the respondent corporation was engaged which was unfair and abnormal, and tended to reduce the efficiency and economy in the production and sales methods of competing manufacturers by giving to that concern which controlled the largest volume of freight traffic an unfair advantage that would more than offset the higher efficiency in the production and sales methods of competing concerns which controlled no such traffic, and thus hindered and restrained the freedom of competition in the natural and customary channels of trade in the draft-gear industry.

An appropriate order was entered against the respondent corporation and two of the individual respondents.

ACQUISITION OF COMPETITORS BY HOLDING COMPANY

Arrow-Hart & Hegeman Co. (*Inc*.) *and others, Hart ford, Conn*. (*Clayton Act, section 7*).--The respondent was organized as a holding company October 6, 1927, to acquire the voting stocks of two large manufacturers of electrical wiring devices, namely, Arrow

Electric Co. and Hart & Hegeman Manufacturing Co., both situated at Hartford, Conn., with a nation-wide distribution of a full line of products.

As a result of the acquisition, the original respondent in the case, Arrow-Hart & Hegeman (Inc.) became the largest producer of electrical wiring devices in the United States and all competition which had theretofore existed between the two operating companies was eliminated.

The commission issued its complaint against the Arrow-Hart & Hegeman Co. (Inc.) in March, 1928, and hearings were held before the board of review during that year. On September 7, 1928, answer was filed by the original respondent. Before testimony was taken in support of the charges of the complaint, namely, on November 10, 1928, preliminary steps were taken by the original respondent to distribute to its stockholders its assets, which consisted of the capital stocks of the two operating companies, so as to merge the two operating companies under he laws of the State of Connecticut. On November 30, 1928, the plan was changed somewhat to avoid a violation of the Federal income tax law and two new holding companies were organized, to which were assigned the capital stocks of the two operating companies, following which transaction the original respondent was dissolved, and the two operating companies and the two new holding companies were merged under the laws of the State of Connecticut on or about December 31, 1928, forming a new corporation, the Arrow-Hart & Hegeman Electric Co., which was. later joined in the supplemental complaint served by the commission in June, 1929. The new respondent answered the supplemental complaint in October, 1929, and subsequent to that date testimony was taken in support of the charges of the complaint and also in support of the defense of the respondents.

The commission, in its findings as to the facts, found that the course of action of the original respondent in organizing the new respondent, was not taken to restore the competition which had previously existed between the two operating companies, but was in part to avoid a claim for income tax by the United States Treasury Department, and in part to evade the provisions of sections 7 and 11 of the Clayton Act, and to perpetuate the elimination of all competition between the two operating companies. It was also found that the effect of the acquisition of the original respondent of the common stocks of the Arrow Electric Co. and the Hart & Hegeman Manufacturing Co., the two operating companies involved, had been, was, and may be to substantially lessen competition between those two companies in the sale and distribution of electrical wiring devices in. interstate commerce, and to restrain such commerce in those sections.

and communities where the two operating companies were engaged in business, and, finally, to tend to create a monopoly in the electrical wiring devices industry.

It was further found that the effect of the organization of the new respondent and the acquisition by it through merger of the voting stocks and assets of the two operating companies named had been, was, and may be to substantially lessen competition between the two operating companies named, in the sale and distribution of electrical wiring devices in interstate commerce, and to restrain such commerce in the communities where the two companies were engaged in business and to tend to create a monopoly in the new respondent in the electrical wiring devices industry.

The conclusion of the commission was that acquisition by the original respondent of the voting stocks of Hart & Hegeman Manufacturing Co. and the Arrow Electric Co., and the continued ownership and voting of such stocks were culminated in the organization of the new respondent under the conditions and circumstances described in the findings constituted a violation of section 7 of the Clayton Act.

Appropriate order was served upon the new respondent requiring it to divest itself of the capital stock and assets, which, according to the views of a majority of the commission, it had illegally acquired (Commissioner Humphrey dissenting). The respondent has petitioned the United States Circuit Court of Appeals for the Second Circuit to set aside the commission's order and the case is pending in that court.

PRICE-FIXING COMBINATIONS

Machine Tool Distributors, Chicago District, Chicago- Machine Tool Distributors, Chicago District, is an association of manufacturers and dealers in machine tools situated in the Chicago territory. Some of the members are representatives of manufacturers located in other parts of the United States but who sell in the Chicago territory. The respondent association was formed on or about October 1, 1928, and includes between 85 and 90 per cent of the concerns engaged in the sale of machine tools in the Chicago district. It has been customary for many of the members of the respondent association to accept used machinery in part payment of the purchase price of new machinery sold by them.

In its findings of fact based upon testimony taken before an examiner the commission found the association members had, on or about October 1, 1928, adopted the "Chicago appraisal plan" governing the allowance to be made for used or old machinery, which had the effect and result of restricting, restraining, and suppressing

competition between the members of respondent association in the purchase and sale of used or old machines which are offered in part payment on a new machine and in the purchase and sale of new machines, the said purchasers being deprived of the free and open competitive market for their used or old machines.

The commission found that the members of the association were required under the Chicago appraisal plan to file with its central office all appraisals or bids made on said used or secondhand machinery offered as part payment for new machinery and that whenever a member is offered used or old machinery he is required to call the central office and ascertain whether there is an appraisal on file. The appraised amount so registered by the member is required to be a firm cash offer and if any member of the association desires to raise an appraisal price made by any other member he shall notify the central office and file said raised appraisal which also is required to be a firm cash offer. The central office, on receiving a raised appraisal price on any used or old machine, notifies all other members and neither the member first raising the appraisal price nor any other member may advise the purchaser of the raised price until 11 o'clock in the morning of the next working day, if the member making the raised appraisal is situated in Chicago, or until 11 o'clock of the second working day if the member is situated outside of Chicago. If there have been one or more increases made in the appraisal price, then the member making the last increase shall purchase the used machine at that price regardless of whoever shall secure the order for the new machine.

The commission further found that the provision in the Chicago appraisal plan requiring each member to make a firm bid or offer on all used machinery and if it filed a raised appraisal or bid to purchase such used machinery at the price offered regardless of who se cured the new business, operates as a penalty upon the members of the association and tends to restrict and restrain them from raising the price allowed by them for used or secondhand machinery offered by customers as part payment for new machinery.

Appropriate order requiring respondents to cease and desist the use of the said Chicago appraisal plan containing the objectionable features described was entered by the commission.

RESALE PRICE MAINTENANCE

Helena Rubinstein (*Inc*.), *New York*.--As alleged and found by the commission, this respondent enforced a merchandising system adopted by it for the maintenance by its dealers, consisting of retailers, and to some extent of wholesalers, of uniform prices fixed by the respondent to be charged by the dealers in the resale of the prod-

ucts manufactured by respondent consisting of toilet preparations and cosmetics.

It was alleged and found by the commission that the respondent accomplished its purpose of bringing about uniform prices in the resale of its products by dealers by fixing uniform prices for the resale of its products and entering into contracts, agreements, and understandings with its dealers for the maintenance of such prices.

The commission found that the effect and results of the practices used by respondent were to suppress competition among dealers in the products manufactured by respondent and to deprive the purchasing public of the advantages in price which they would otherwise obtain from the natural and unrestricted flow of commerce. An appropriate order was entered.

LOTTERY DEVICES

Candy lotteries.--R. F. Keppel & Bro. (Inc.), Lancaster, Pa., the respondent, manufactures candy which it sells in interstate commerce to wholesalers, jobbers, and retailers throughout the United States. It was charged in the complaint that respondent corporation sold to and placed in the hands of retailers, directly or through wholesalers or jobbers, candy so packed and assembled by it as to bring about its sale to the general public by means of lottery, gaming devices, or gift enterprises.

The respondent filed its answer, evidence was taken, and a final hearing had before the commission, after which detailed findings of fact were made in which the commission found, among other things:

That certain of the candies sold and distribute by respondent were packed in boxes containing 120 pieces each for retail at 1 cent apiece, and that in each of 4 of the pieces of candy 1 cent was concealed, while the other 116 pieces contained no coin; that respondent also packed and distributed for retail sale boxes containing 60 pieces each of chocolate peanut bars, of uniform size and quality, and inclosed within the wrapper of said bars a slip of paper showing the price of the said bar as 1, 2, or 3 cents (10 of said bars having slips showing their price to be 1 cent each, 10 having slips showing their price to be 2 cents each, and 40 having slips showing their price to be 3 cents each); and that purchasers of the chocolate peanut bars pay 1, 2, or 3 cents, as the case may be, for identical bars of candy, such prices not being disclosed to the purchasers until after the candies are unwrapped and the slips exposed; that other packages of candy made and distributed by respondent contain 200 small chocolate-cream candies and 20 other pieces of chocolate candy, said 20 pieces being molded into the shapes of boys or girls

or twins, and also containing a box called a "School Companion," holding five lead pencils, a pen and penholder, a 6-inch ruler, and two erasers; that of the 200 chocolate-cream candies of uniform size and shape, 16 have pink centers, 4 have chocolate centers, and 180 have white centers, and that the purchaser, buying a chocolate-cream candy having a pink center receives, in addition to said chocolate-cream candy and at no additional cost, one of the chocolate boys or girls; if he procures a chocolate-cream candy with a chocolate center, he receives, at no additional cost, one of the chocolate twins, and if he buys the last piece of chocolate-cream candy in the package, he receives at no additional cost, the "School Companion," while, if he purchases any one of the 180 pieces of the chocolate-cream candy with a white center, he receives no additional prize or premium.

The commission further found that purchasers of respondent's candies are principally children, who purchase them for the gaming or lottery feature; and that use of the lottery or gaming feature is aga inst the public policy of many of the several States of the Union, as well as to the prejudice and injury of the public and of the respondent's competitors.

Accordingly, an order was issued directing the respondent to cease and desist from:

> Selling and distributing to jobbers and wholesale dealers for resale to retail dealers, or to retail dealers direct, candy so packed and assembled that sales of such candy to the general public are by means of a lottery, gaming device, or gift enterprise,

and from furnishing to wholesale dealers, jobbers, and retail dealers, candies packed and assembled in any way so as to be sold as a lottery or gaming device, or from furnishing representations, display cards, or other printed matter to be used by the retailers in selling candy in any similar manner.

R. F. Keppel & Bro. (Inc.) has filed a petition in the United States Court of Appeals for the Third Circuit asking that the commission's order be set aside. [4]

SUBSCRIPTION BOOK COMPANIES

Standard Education Society, Standard Encyclopedia Corporation, H. M. Stanford, W. H. Ward, and A. J. Greener, Chicago.--The commission issued a complaint February 25, 1929, against the Standard Education Society and H. M. Stanford; charging them with various representations in connection with the sale of a set of books known as the Standard Reference Work.

4 See p. 99.

It was charged they had represented by circular letters and through agents that the books would be given away free to certain picked persons, and that a loose-leaf extension service supplied for the purpose of keeping each encyclopedia up to date would be furnished the recipients of these free sets on the same terms as the extension service was furnished to purchasers of the respondent's encyclopedia. It was alleged in the complaint that the encyclopedias were not given away free, but the price quoted for the extension service included the rice of the entire set of books.

The respondents were also charged with having used unauthorized testimonials and with having published and sold the Standard Reference Work under more than one name. Testimony was taken in support of the complaint and the case on behalf of the commission was rested when it was ascertained that the respondent, Standard Education Society, was in the process of closing out its business, the stockholders thereof having formed another corporation, the Standard Encyclopedia Corporation, which was engaged in selling a revision of the old Standard Reference Work.

A supplemental complaint was issued in which these facts were set forth, in which the Standard Education Society, Standard Encyclopedia Corporation, H. M. Stanford, W. H. Ward, and A. J. Greener were charged with using substantially the same methods of competition as those set forth in the original complaint. The three individuals were alleged to be the owners of the two respondent corporations.

Testimony in support of the supplemental complaint was received and the case submitted to the commission which issued its findings as to the facts and directed the five respondents to cease and desist from (1) advertising or representing in any manner to purchasers or prospective purchasers that any books or set of books offered for sale and sold by them will be given free of cost to purchasers or prospective purchasers, when such is not the fact; (2) advertising or representing in any manner that a certain number of sets or any set of books offered for sale or sold by them has been reserved to be given away free of cost to selected persons as a means of advertising, or for any other purpose, when such is not the fact; (3) advertising or representing in any manner that purchasers or prospective purchasers of respondents' publications are only buying or paying for loose-leaf supplements intended to keep the set of books up to date for a period of 10 years, when such is not the fact; (4) advertising or representing in any manner that respondents' publication is a recently completed, new, and up-to-date encyclopedia, when such is not the fact; (5) selling or offering for sale any set of

books of the same text and content material under more than one name or title; (6) advertising or representing in any manner that the usual price at which respondents' publications are sold is higher than the price at which they are offered in such advertisements or representations, when such is not the fact; (7) advertising or representing any person as a contributor to or editor of any set of books or publications who has not performed services in making or preparing contributions to or who has not performed services in the editing of such books or publications and consented that he may be held out to the public as a contributor or as an editor or assistant editor; (8) advertising or representing that any person has given testimonials or recommendations for and concerning respondents' publications, when such is not the fact; (9) publishing or causing to be published and circulated testimonials or recommendations of, and concerning respondents' publications alleged to have been made by any persons when such testimonials or recommendations have not been so made.

FALSE AND MISLEADING ADVERTISING

Bailey Radium Laboratories (Inc.) and William J. A. Bailey, East Orange, N. J.-- These respondents manufactured and offered for sale a water which had been treated with radium and mesothorium. The water was intended for internal use. In each 2-ounce bottle of water (which constituted a dose) the respondents had suspended in solution 1 microgram of radium and 1 microgram of mesothorium (a microgram is one-millionth of a gram). This water, termed "Radithor" by respondents, was represented by them as being a treatment or cure for more than 160 conditions or symptoms ranging alphabetically from acidosis to wrinkles and included high blood pressure; arthritis, sexual decline, eczema, nausea, indigestion, pneumonia, psychosis, and pyorrhea.

The complaint alleged that not only was the respondents' product valueless in treating these conditions or symptoms, but that the use of radium internally was dangerous. In support of this latter allegation of the complaint, a witness testified that he had taken some 1,300 bottles of Radithor. At the time of his testimony he was suffering from a pronounced necrosis of the jaw. His physician testified that this necrosis was caused by radium poisoning. This witness subsequently died from conditions induced by the radium poisoning.

Subsequent to the taking of this testimony the respondents filed a motion with the commission in which they requested that their answer to the complaint be withdrawn. Respondents stated in this motion that they would refrain from contesting the proceeding.

Thereafter, in accordance with the rules of the commission, a cease and desist order was issued without findings as to the facts. By this order the respondents were directed to cease and desist from various representations theretofore made by them as to the therapeutic value of Radithor and from representing that the product Radithor is harmless.

MISDESCRIPTION OF PRODUCT

Lenape Hydraulic Pressing and Forging Co., Lenape, Pa--The order forbids this corporation to advertise its boiler nozzles in a way which would represent or imply that such nozzles are made in one piece instead of two pieces as they are in fact made. Specific statements prohibited, unless used with explanatory matter, are the following:

A solid seamless wall against steam and gasket.

By adopting the Lenape Forged Steel Nozzle you are assured that the steam will come in contact with a ONE-PIECE SOLID WAIL.

It is further provided that diagrams of such 2-piece nozzles indicating solid construction, such as crosshatching running in the same direction, shall not be used unless accompanied by explanatory matter setting forth that such nozzles are made in two pieces.

MISBRANDING ALFALFA SEED--ORIGIN, INSPECTION, AND PEDIGREE

Dakota Alfalfa Growers, Mitchell, S. Dak.--Respondents, Mac-Donald T. and Walter T. Greene, trading under the above name, were engaged in the purchase and resale of varieties of alfalfa seed known as Grimm, Cossack, and Common (Dakota No.12), from a cooperative growing association. They referred to their trade-mark registration in such manner as to mislead prospective purchasers into the belief that the seed was of an origin inspected, verified, and certified to by a Federal seed inspector; misrepresented the bags of seed as being shipped directly from the place of production to the purchaser with but one profit; misrepresented that the seed had been grown in fields of virgin Dakota soil specially selected because of its quality, purity of variety, pedigree, freedom from noxious weeds, and hardiness.

Because of the importance of maintaining and improving the pedigree of such alfalfa seed the producers thereof in the various States, through crop improvements associations, had, for a number of years prior to the use thereof by respondents, attached blue and red tags to the bagged seed, which colored tags, from extensive use, had come to indicate to the purchaser the highest and next highest quality alfalfa seed of then Grimm or Cossack varieties exclusively.

together with inspection and certification of origin under State supervision. Respondents were using in similar manner the tags of the identical colors which, when distributed by them in interstate commerce in territory coextensive with that of their competitors resulted in misleading prospective purchasers as to the quality, purity of variety and certification as to source. Respondents' blue and red tags were by them indiscriminately applied to Grimm, Cossack, or Dakota No.12 (Common) alfalfa seed, all to the prejudice of the public respondents' competitors.

To the charges in the complaint respondents filed a pleading waiving further procedure and consenting that the commission might make, enter and serve upon them an order to cease and desist from the violations of law alleged.

The order directed respondents, in the sale and distribution of alfalfa seed in interstate commerce, to cease and desist from using the above methods, and particularly--

From attaching to the bags or sacks, In which said seed is so packed, distributed, and sold, tags of the Identical shade of blue or red which through extensive use have come to and do indicate to the purchaser that said bags and sacks contain the highest and next highest quality of alfalfa seed of the Grimm or Cossack varieties together with inspection and certification of origin under State supervision, when such bags or sacks do not contain, respectively, the highest and next highest quality of alfalfa seed of said varieties and have not been inspected and certified under State supervision as to origin and do contain alfalfa seed known as Dakota No.12 (Common), unless and until respondents, in conspicuous printing on said tags clearly and truly inform the purchasers and prospective purchasers of the actual varieties of said seed therein contained and that the origin and inspection have not been certified to under State supervision.

UNFAIR COMPETITION IN THE SALE OF HAIR DYE

Inecto (*Inc.*), *New York*.--The order to cease and desist issued against this corporation prohibits the use of false and deceptive representations in promoting and effecting the interstate sale and distribution of a hair dye or hair coloring manufactured by the company and designated "Inecto Rapid Notox."

Represented to be the largest manufacturer of hair coloring in the world, the respondent corporation promoted the sale of the product, national advertising expenditures running at times as high as $300,000 a year. The dye was sold for home use through drug stores, department stores, hairdressing establishments and other dealers, and direct by mail order. It was also sold for use by beauty parlors and hairdressers throughout the country for the treatment or coloring of the hair of their patrons.

In addition to applying the word "Notox" to the product, the respondent promoted its purchase and use by the trade and con-

suming public on numerous representations to the effect that the dye is nontoxic, safe, and harmless, without any poisonous or toxic ingredients, and that it will not produce or cause any harmful or deleterious effects upon the body or scalp; that no instances of harmful or deleterious effects have arisen or been reported.

After trial and hearing the commission entered findings of fact covering the case. It found that such representations were false, misleading, and deceptive and that the dye is in fact a dangerously toxic, deleterious, and harmful product containing a toxic dye base and poisonous and injurious ingredients or properties; that in its use and application to dyeing or coloring of the human hair it is not safe or harmless and that in many instances it has caused and produced toxic, deleterious, and harmful physical effects upon the Scalp and other parts of the body of users, including irritation and toxic poisoning of the scalp.

The corporation also disseminated as trade promotional literature a large number of testimonials or endorsements purporting to be written statements by users or patrons praising and commending the respondent's brand of hair dye. Upon the evidence, the commission found that practically all of such testimonials or endorsements were false and as used by respondent had the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that they were genuine unsolicited testimonials or endorsements of its brand of hair dye received by respondent from patrons or users thereof.

The commission also found that the tendency and effect of the false and deceptive practices of the corporation were to injure the public and the business of competitors; and that such misrepresentations operated as an unfair competitive advantage to the corporation and a detriment to and burden upon the legitimate hair-dye manufacturing and marketing industry in this country. Upon concluding that the practices constituted an unfair method of competition in violation of the statute, the false representations were prohibited in the order to cease and desist (Commissioner Humphrey dissenting).

The respondent denied most of the material, allegations of the complaint and vigorously contested the case. At this writing it is not known whether the respondent will petition the courts to review and set aside the commission's order.

SELLING READY-MADE CLOTHES BY MEANS OF FALSE AND MISLEADING REPRESENTATIONS

United Tailoring Co., Curtis Clothing Corporation, New York.--Victor Klein, Herbert Klein, and Arthur Klein conducted their

business through United Tailoring Co., and Curtis Clothing Corporation, owned and controlled by them, and under the trade name Continental Tailoring Co. The complaint charged that respondents sold men's clothes in interstate commerce by representing them as tailor-made or made to order, out of cloth selected by the purchasers, altered or fitted at branch places of business, which, purchasers were assured, would be established by respondents in their particular communities. It was charged respondents represented that they were offering two suits at the price of one in order to introduce their business in such communities.

Respondents answered denying charges of the complaint. Testimony and evidence were received; and after final hearing, the coin-mission found that respondents were not selling clothes tailor-made or made to order, or clothes made out of cloth selected by purchasers, but that clothes sold by respondents were ready-made clothes, which, practically in every instance covered by the evidence, were misfits, sometimes so much as to appear grotesque when worn, or attempted to be worn, by the purchasers. The clothes were made out of inferior cloth, cheaper than that selected by the purchasers. No branch places of business were established or opened by respondents. in any of the communities in which their clothes were sold under such representations.

Accordingly, an order was issued directing respondents to cease and desist from offering for sale or selling, in interstate commerce, their clothes by representing, directly or indirectly, that they would be tailor-made, in accordance with the measurements of individual. purchasers; and fitted or altered at places of business to be established in the solicited localities by respondent, or from offering two suits for the price of one, unless such were the facts.

TYPES OF UNFAIR COMPETITION

PRACTICES CONDEMNED IN ORDERS TO CEASE AND DESIST ARE LISTED

The following partial list shows unfair methods of competition condemned by the commission from time to time in its orders to cease and desist. [5]

The use of false or misleading advertising, calculated to mislead and deceive the purchasing public, to their damage and to the injury of competitors.

Misbranding of fabrics and other commodities respecting the materials or ingredients of which they are composed, their quality,

[5] Clayton Act violations under the commission's Jurisdiction include, subject to the various provisions of the statute concerned, price discrimination (see sec. 2 at p. 157 or this report). tying and exclusive contracts or dealings (see sec 3 at p. 157). corporate-stock acquisitions (see sec. 7 at p.157), and interlocking directorates (see sec. 8 at p.158.)

purity, origin, or source, and selling them under such names and circumstances that the purchaser would be misled in said respects.

Bribing buyers or other employees of customers and prospective customers without the latter's knowledge or consent, to secure or hold patronage.

Procuring the business or trade secrets of competitors by espionage or by bribing their employees, or by similar means.

Inducing employees of competitors to violate their contracts or enticing away employees of competitors in such numbers or under such circumstances as to hamper or embarrass said competitors in the conduct of their business.

Making false or disparaging statements respecting competitors products, their business, financial credit, etc.

Widespread threats to the trade of suits for patent infringement arising from the sale of alleged infringing products of competitors, such threats not being made in good faith but for the purpose of intimidating the trade and hindering or stifling competition.

Trade boycotts or combinations of traders to prevent certain whole sale or retail dealers or certain classes of such dealers from procuring goods at the same terms accorded to the boycotters or conspirators, or to coerce the trade policy of their competitors or of manufacturers from whom they buy.

Passing off goods or articles for well and favorably known products of competitors through appropriation or simulation of such competitors' trade names, labels, dress of goods, etc, with the capacity and tendency unfairly to divert trade from said competitors, and/or with the effect of so doing to their prejudice and injury and that of the public.

Selling rebuilt, secondhand, or old products as and for new.

Paying excessive prices for supplies for the purpose of buying up same and hampering or eliminating competition.

Using concealed subsidiaries, ostensibly independent, to secure competitive business otherwise unavailable.

Using merchandising schemes based on a lot or chance.

Cooperative schemes and prices for compelling wholesalers and retailers to maintain resale prices fixed by the manufacturer for resale of his product.

Combinations or agreements of competitors to enhance prices, maintain prices, bring about substantial uniformity in prices, or to divide territory or business, to cut off competitors' sources of supply, or to close markets to competitors, or otherwise restrain or hinder free and fair competition.

Various schemes to create the impression in the mind of the prospective customer that he is being offered an opportunity to make a

purchase under unusually favorable conditions when such is not the case, with capacity and tendency to mislead and deceive many of the purchasing public into buying products involved in such erroneous belief, and/or with the effect so to do, to the injury and prejudice of the public and of competitors; such schemes including--

(1) Sales plans in which the seller's usual price is falsely represented as a special reduced price made available on some pretext for a limited time or to a limited class only.

(2) The use of the "free" goods or service device to create the false impression that something is actually being thrown in without charge, when, as a matter of fact, fully covered by the amount exacted in the transaction taken as a whole.

(3) Use of misleading trade names calculated to create the impression that a dealer is a manufacturer selling directly to the consumer with corresponding savings.

(4) Use of pretended exaggerated retail prices in connection with or upon the containers of commodities intended to be sold as bargains at lower figures.

Subsidizing public officials or employees through employing them or their relatives. under such circumstances as to enlist their interests in situations in which they will be called upon by virtue of their official position to act officially, making unauthorized changes in proposed municipal bond issues, corrupting public officials or employees, and forging their signatures, and using numerous other grossly fraudulent, coercive, and oppressive practices in dealing with small municipalities.

Imitating or using standard containers customarily associated in the mind of the general purchasing public with standard weights or quantities of the product therein contained, to sell to said public such commodity in weights or quantities less than the aforementioned standards, with capacity and tendency to deceive the purchasing public into believing that they are purchasing the quantities generally associated with the standard containers involved, and/or with the effect of so doing, and with tendency to divert trade from and otherwise injure the business of competitors who do not indulge in such practices and/or with the effect of so doing, to the injury of such competitors and to the prejudice of the public.

Concealing business identity in connection with the marketing of one's product, or misrepresenting the seller's relation to others, e. g., claiming falsely to be the agent or employee of some other concern or failing to disclose the termination of such a relationship in soliciting customers of such concerns, etc.

Misrepresenting in various ways the advantages to the prospective customer of dealing with the seller, with the capacity and tendency

to mislead and deceive many among the consuming public into dealing with the person or concern so misrepresenting, in reliance upon such supposed advantages and to induce their purchases thereby, and/or with the effect of so doing, to the injury and prejudice of the public and of competitor; such as--

(1) Seller's alleged advantages of location or size.

(2) False claims of being the authorized distributor of some concern.

(3) Alleged indorsement of the concern or product by the Government or by nationally known businesses.

(4) False claim by a dealer in domestic products of being an importer, or by a dealer of being a manufacturer, or by a manufacturer of some product, of being also the manufacturer of the raw material entering into said product.

(5) Being manufacturer's representative and outlet for surplus stock sold at a sacrifice, etc.

Use by business concerns associated as trade organizations or otherwise of methods which result or are calculated to result in the observance of uniform prices or practices for the products dealt in by them, with consequent restraint or elimination of competition, such as use of various kinds of so-called standard cost systems, price lists or guides, exchange of trade information, etc.

Securing business through undertakings not carried out and through dishonest and oppressive devices calculated to entrap and coerce the customer or prospective customer, with the result of deceiving the purchasing public and inducing purchases by many thereof, and of diverting and tending to divert trade from competitors who do not engage in such false, misleading, and fraudulent representations, all to the prejudice and injury of the public and competitors; such kind of practices, including--

(1) Securing by deceit prospective customer's signature to a contract and promissory note represented as simply an order on approval; securing agents to distribute the seller's products through promising to refund the money paid by them should the product prove unsatisfactory; and through other undertakings not carried out.

(2) Securing business by advertising a "free trial" offer proposition, when, as a matter of fact, only a "money-back" opportunity is offered the prospective customer.

Giving products misleading names so as to give them a value to the purchasing public or to a part thereof which they would not other-wise possess, with the capacity and tendency to mislead the public into purchasing the products concerned in the erroneous beliefs thereby induced, and with the tendency to divert and/or with the

effect of diverting business from and otherwise injuring and prejudicing competitors who do not engage in such practices, all to the prejudice of the public and of competitors, such as--

(1) Names implying falsely that the particular products so named were made for the Government or in accordance with its specifications and of corresponding quality, or are connected with it in some way or in some way have been passed upon, inspected, underwritten, or indorsed by it; or

(2) That they are composed in whole or in part of ingredients of materials, respectively, contained only to a limited extent or not at all; or

(3) That they were made in or came from some locality famous for the quality of such products; or

(4) That they were made by some well and favorably known process, when, as a matter of fact, only made in imitation of and by a substitute for such process; or

(5) That they have been inspected, passed, or approved after meeting the tests of some official organization charged with the duty of making". such tests expertly and disinterestedly or giving such ap proval; or

(6) That they were made under conditions or circumstances considered of importance by a substantial part of the general purchasing public, etc.

Selling below cost, with the intent and effect of hindering, stifling, and suppressing competition.

Dealing unfairly and dishonestly with foreign purchasers and thereby discrediting American exporters generally, with effect of bringing discredit and loss of business to all manufacturers and business concerns engaged in and/or seeking to engage in export trade, and with the capacity and tendency so to do, to the injury and prejudice of the public and of said offending concerns' export-trade competitors.

"Block booking," or the practice by dominant or key producers of offering their productions on an "all-or-none" basis, and thereby limiting or restricting competitors' access to market.

Coercing and enforcing uneconomic and monopolistic reciprocal dealing.

COURT CASES

MATTERS IN WHICH ACTION WAS TAKEN ARE PRESENTED

The number of court proceedings in which the Federal Trade Com-mission has been involved during the year, as well as a cumulative showing of this work throughout the commission's life, will be found in the statistical tables on pages 120 to 125 of this report.

Cases pending in the Federal courts during the year, in connection with which action was taken, are described as follows in alphabetical order: [6]

Consolidated Book Publishers (Inc.), Chicago, engaged in the sale and distribution throughout the United States of set of books at retail under the name "New World Wide Cyclopedia," and of the same set of books at wholesale under the name of "The Times Encyclopedia and Gazetteer," on July 10, 1930, filed with the Seventh Circuit (Chicago) its petition to review the commission's order, which directed it to cease and desist from-

(1) Selling or offering for sale, either at wholesale or retail, any set of books of the same text and content material under more than one name or title the same time.

(2) Advertising or representing in any manner to purchasers or prospective purchasers that any book or set of books offered for sale and sold by it will be given free of cost to said purchaser or prospective purchaser when such is not the fact.

(3) Advertising or representing in any manner that a certain number of sets or any set of books offered for sale or sold by it has been reserved to be given away free of cost to selected persons as a means of advertising, or for any other purpose, when such is not the fact.

(4) Advertising or representing in any manner that purchasers or prospective purchaser of its encyclopedia are e only buying or paying for loose-leaf supplements intended to keep the set of books up to date, or that purchasers or prospective purchasers are only buying or paying for services to be rendered by a research, or other bureau, for a period of 10 years, when such is not the fact.

(5) Selling the text and content material of any set of books in such a way or manner, and with the purpose and intent, that said text and content material may be resold by, any other person, firm, or corporation under, any other name or title than that being used by respondent for said text and content material.

(6) Advertising or representing in any manner that it maintains a research bureau employing a staff of competent editors and experts for the purpose Of answering inquiries from subscribers, when such is not the fact.

(7) Advertising or representing in any manner that inquiries addressed to its research bureau are referred to and answered by experts and specialists in the particular subject inquired about, un less such inquiries are actually referred to and answered by said experts and specialists.

6 United States circuit courts of appeals are designated First Circuit. Second Circuit, etc.

(8) Advertising of representing in any manner that its set of books is a new and up-to-date encyclopedia, when such is not the fact.

Petitioner's brief was filed January 24, 1931, that of the commission March 9, and reply brief for petitioner March 17. The case was argued April 23. On July 8, the court, at the instance of the commission, entered an order granting leave to adduce additional evidence, allowing 90 days for this purpose. The application of the commission which resulted in this order was made as a result of the decision of the Supreme Court of the United States in the Raladam case, referred to subsequently in this report. The additional evidence in question was taken during August; on October 2, 1931, the commission made supplemental findings of fact, which were certified to the court. These concerned the general effect of the methods employed by the Consolidated Corporation on the business of its competitors, and were based upon the additional evidence above referred to. Both sides filed supplemental briefs; and the case was decided in favor of the commission, November 25, 1931 (53 F. (2d) 942).

During the course of its opinion, the court said:

The question presented to us is whether or not the facts and the law war-ranted the Federal Trade Commission in making the " cease and desist" order. We think the commission acted within the scope of its authority, and was abundantly justified by the facts. A close analysis of the contract convinces us that it was drawn by experienced hands and with the obvious intention of perpetrating a fraud upon the subscribing public. A mind trained in the law might well conclude that few rights, and less benefit, moved to the subscriber by virtue of the contract, and that under a technical construction of it no gift was intended. But the general public, not skilled in legal construction, upon reading the lead letter and contract would very naturally conclude that the books constituted a gift, and in our judgment this is what petitioner wanted them to think. This is essentially true, for if all the facts were known to the subscriber, be, if only of ordinary intelligence, in all probability would have declined the offer because the cyclopedia was neither new, up to date, nor accurate. It is quite obvious that it would not sell on its merits.

A fair construction of the lead letter is that petitioner was distributing, as an advertising medium, a few sets in each community free to certain influential people, in consideration of their acting as local references to other unpreferred subscribers; and that, on account of his standing in his community, a free set was being held by petitioner for the person receiving such letter. This view is confirmed by the fact that the letter asks the receiver of it to treat it as personal and confidential. This was quite an unnecessary statement if petitioner was in good faith, for it no doubt would have permitted any person to sign the contract. This interpretation of the letter is further con-firmed by the fact that petitioner's sales agent, Mrs. Cowherd, construed it the same way. Of course petitioner contents that the agent exceeded her authority, and that it should be protected against the dishonest and unscrupulous agent; but we think the agent made no representation which was not warranted by the letter and contract. If the agent did exceed her authority, it does not

comes with good grace from petitioner, who instituted the fraud, to abuse and bemean the agents for continuing the fraud which petitioner had started

* * * * * * *

The following propositions of law fully support the ruling:

False and misleading representations resulting in deception of the public are matters of public interest which the commission has power to prevent.

* * * * * * *

The commission's jurisdiction is not limited to practices which tend to create a monopoly, but embraces false and fraudulent advertising, misbranding, and other practices which result in deceiving the public. Such practices injure competitors who do not use them.

* * * * * * *

The sale at the same time of a cyclopedia under two different names is an unfair method of competition.

* * * * * * *

Practices opposed to good morals because characterized by deception, bad faith, fraud, and oppression are unfair methods of competition. Federal Trade Commission v. Gratz et al., 253 U. S. 421.)

On December 14, the Consolidated Book Publishers petitioned the court for a rehearing. The commission filed its answer December 26, and, on December 31, 1931, the court overruled the petition. As the opinion is short and has a bearing on the Raladam case (referred to hereinafter in this report), it is reproduced in full be low (53 F. (2d) 942)

Sparks, Circuit Judge. Petitioner in its petition for a rehearing has called our attention to the fact that this court has not referred to nor commented upon the additional evidence taken on respondent's motion since the argument of the cause, relative to competition with and resulting injury to other concerns engaged in the same line of business; and it further contends that this court failed to consider Federal Trade Commission *v*. Raladam Go. 283 U. S. 643, decided after the argument in this cause.

Petitioner bases its right to a rehearing upon the following grounds: (a) The commission has failed to show the existence of competition between petitioner and the traders who it claims were Injured; (b) competitors were not Injured by any acts of petitioner; (c) competitors used methods the same as, or substantially similar to, those employed by petitioner.

These matters were fully presented to this court and argued prior to the taking of additional testimony as referred to above; and the pendency of the Raladam case in the Supreme Court was also called to our attention. When that case was decided by the Supreme Court and the opinion was published it was considered by this court. Subsequently, when respondent asked permission to take, additional testimony, as above referred to, a part of the membership of this court thought that the evidence then in the record was sufficient to support the finding of the commission to the effect that there was competition and resulting injury; and also that the Raladam case was not controlling in the instant case because the facts of that case showed neither competition nor injury. Out of abundance of precaution, however, the court permitted the additional evidence to be taken, after which the commission found the existence of both competition and resulting injury to such competitors.

It may be also stated that petitioner, in its answer to respondent's original complaint, admitted that it was in competition with various other persons, partnerships, and corporations similarly engaged.

From a perusal of all the evidence, including the additional testimony given, it is quite apparent that the commission's findings are supported by material and competent evidence with respect to competition and resulting injury to competitors. It is true the injury shown is not expressed in specific terms of money, but this we do not regard as necessary. The statement of petitioner that the competitors are guilty of the same or similar methods as those charged to petitioner is not supported by the evidence.

The Consolidated Corporation, March 31, 1932, filed with the Supreme Court of the United States its petition for writ of certiorari. A brief, on behalf of the commission, in opposition to the petition, was filed May 2, and the case was formally submitted to the court on that day.

On May 16, 1932, the petition for certiorari was denied. The effect of this is that the decision of the Seventh Circuit, of November 25, 1931, sustaining the commission's order in every particular, stands (286 U.S. 553).

Electric Bond Share Co., New York.--The commission, December 1, 1928, filed, in the District Court of the United States for the Southern District of New York, its application for an order requiring certain officers and employees of this company to produce certain records and answer certain questions incident to the investigation being conducted by the commission pursuant to Senate Resolution 83, directing the commission to investigate and report upon the financial and business structure of the electric power and gas industry, the policies and practices of holding companies and their affiliated companies, their alleged efforts' to control public opinion on account of public or municipal ownership, and whether any of the conditions disclosed constituted a violation of the antitrust laws.

The objections raised by counsel for the comp any to administering the oath and interrogation of the witnesses put in issue the fundamental question of the commission's power to issue subpoenas in the investigation directed by the Senate, whet her the Electric Bond & Share Co. was engaged in inter state commerce, and whether the attempt to subpoena the records was a violation of the constitutional prohibition of unreasonable search and seizure.

The case was argued before Judge, Knox February' 16, 1929. The commission, March 9, 1929, submitted a written offer of additional proof on the issues of fact it claimed were made by the application and answer. Briefs on behalf of the commission and respondents were filed March 9 and 22, 1929, respectively, and the commission's reply brief April 2, 1929.

The court, July 18, 1929, handed down its opinion. (34 F. (2d) 323.) Briefly, the objections of the company to the commission's

subpoenas duces tecum were sustained, and those that were interposed to the pertinent and competent questions propounded to the individual witnesses by counsel for the commission were overruled. The court assumed that the company, in part, at least, was engaged in interstate commerce, saying, in this connection:

> If respondents wish to contest the propriety of this assumption, the matter will have to go to a master; or, if petitioner (Federal Trade Commission) wishes an adjudication to the effect that the intrastate business of the Electric Bond & Share Co. is so ointimately associated and connected with interstate commerce that all the company's activities are subject to the jurisdiction of the commission, a reference will be required to establish the fact.

Both parties, desiring to take advantage of the opportunity thus afforded by the court, agreed to the appointment of a master, who was duly appointed January 7, 1930.

In the meantime, however, the parties came to an agreement upon the facts, a stipulation to this effect having been signed October 28, 1931, and filed with the court November 4. The commission's brief was filed December 18, and that of the company January 21, 1932. The case was argued on its merits January 21, 1932.

On August 19, 1932 the court handed down its second opinion (not yet reported).

After discussing the previous decision, the court refers to the matter, of subpoenas duces tecum in the following language:

> At the outset, notice should be taken that petitioner once more urges me to uphold the duces tecum subpoenas heretofore considered. That issue has gone against petitioner, and whatever inferences are here to be drawn from facts not previously before the court, they can not, retroactively, give vigor, to process already found to have been without vitality.

The court then proceeds to an analysis of the relationships existing between the company and its subsidiaries, concluding--

> that, in handling transactions of great volume and high value, Electric Bond & Share Co. was a ruling agent and actively participated in the interstate movement of commerce.
>
> But, irrespective of all that has been said, Electric Bond & Share Co. insists that it is outside any and all jurisdiction of the Federal Trade Commission. In this, is the company right or wrong? If realities, rather than artificialities are determinative of the question, it is my belief that the company is wrong.

It then demonstrates, by citations to decisions of the Supreme Court of the United States, the error of the company's position, summarizing the situation in these words:

> At this point, note should be taken of the fact that, in the cases Just discussed, the Congress had not specifically undertaken to exercise supervision Or control over the matters which were there under review. Nevertheless, the Supreme Court believed them to be within the protection of the commerce clause of the Constitution. In the case at bar, the Congress has taken a step of affirmative character, even though it has not yet chosen definitely to regulate holding com-

panies which, through intercorporate networks, control the destinies of subsidiary operating companies doing interstate business. In other words, it has enacted section 6-a of the Federal Trade Commission statute. Unequivocally, the Federal Trade Commission was vested with power "to gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and management of any corporation engaged in commerce, excepting banks and common carriers subject to the act to regulate commerce, and its relation to other corporations and to individuals, associations, and partnerships."

This enactment, at the very least, requires a conclusion that a corporation, whose activities are such as to give it the protection of the commerce clause under the decisions set forth above, should not be held to be beyond the reach or the commission's authority.

Continuing, the court says:

But, say respondents, since the jurisdiction, of the commission is limited to interstate commerce, the intrastate business and affairs of Electric Bond & Share Co. are outside of the commission's authority, even though concession should be made that the company, as to some matters, engaged in interstate trade. If intrastate trade could definitely be separated from that which is interstate, I should agree. For example, if the company, charged its subsidiaries a specified fee for services rendered in connection with the purchase of apparatus and materials, it might well be that the investigation of the commission should be limited to inquiries relevant to the reasonableness of such charges as were made upon this account. Such, however, is not the method of operation. The parent company makes a blanket charge for substantially all of its services, and this is based upon certain percentages of the gross earnings of the subsidiaries. The reasonableness of this charge can not be ascertained merely by inquiring into the cost of rendering the purchasing services. The cost of rendering other services for which a fee is charged must also be determined, because they are inextricably involved with the cost of work having to do with interstate activity. The commission's jurisdiction must extend, therefore, to all services, for which a fee covering an interstate activity is charged. See Interstate Commerce Commission v. Goodrich Transit Co., 224 U.S. 194.

* * * * * * *

By virtue of the control which respondent exercised over the subsidiary operating companies, it had a direct effect upon all their business, including that in interstate commerce. The power of the National Government over interstate commerce has been held to extend not only to activities which may be formerly denominated subjects of interstate commerce, but to acts which in fact affect that commerce.

* * * * * * *

It follows that the commerce power, in the exercise of which Congress enacted the Federal, Trade Commission act, is indubitably broad enough to comprehend the acts of respondent which have been shown to affect interstate commerce and, in the light of the foregoing decisions, it would seem clear that respondent is "engaged in commerce" within the meaning of that act.

The manner in which the affairs of the operating companies having to do with interstate commerce are affected by Electric Bond & Share Co., as well as its own activities in the purchase and shipment of materials and equipment in interstate commerce," are quite sufficient to bring respondent within the investigatory authority of the Federal Trade Commission.

Accordingly, an order will be entered directing the individual respondents to answer all questions relating to the cost to Electric Bond & Share Co., of such services as it renders the operating companies in return for the payment of a fee based upon their gross earnings; to the cost of rendering purchasing services which result in interstate movements of materials, apparatus, and supplies to or from any of its subsidiaries, for which a separate fee is charged; and to the cost of rendering any services to subsidiary companies engaged in the interstate transmission of electricity or gas, for which a separate fee is charged.

Everitt & Graf, Milwaukee.--The commission, June 15, 1931, filed with the Seventh Circuit (Chicago) an application for the enforcement of its order in this case, which directed the respondent, a Wisconsin corporation, with its factory and principal place of business situated in Milwaukee, to cease and desist--

from using, directly or indirectly, the word "California" in trade-marks, labels, or brands stamped on linings of women's hats or containers in which said hats are sold, offered for sale, delivered, or shipped in interstate commerce, and/or advertising or re presenting, either directly or indirectly, by causing retail dealer customers to so advertise or represent, either on display cards, counter cards, advertisements inserted in newspapers, trade and fashion magazines, or in any other manner, advertising representing or designating its said hats as being manufactured in California unless and until said hats are actually manufactured in the State of California.

The findings were to the effect that respondent sold its Wisconsin made hats (in competition with a large number of manufacturers of women's hats situated in California, and selling their product under the name of "California Sports Hat") under the trade name and style of "California Sport Hat."

Subsequent to the filing of the application for enforcement, Everitt & Graf filed with the commission a supplemental report, which the commission accepted as being in compliance with its order, conditional on further information as to continued compliance. As a result of this step the court, February 6, 1932, on joint petitions of the parties, suspended proceedings for the time being. A supple mental investigation having shown respondent's good faith in com plying with the order, the commission, on July 8, 1932, withdrew its application for enforcement, without prejudice.

Flynn & Emrich Co., Baltimore, engaged in the manufacture and sale of stokers, grates, and coal-feeding mechanisms, with principal office and place of business in Baltimore, filed with the Fourth Circuit (Richmond) February 7, 1931, its petition to review the com mission's order entered December 20 1930.

The findings were to the effect that the respondent, through its salesmen, was in bad faith threatening concerns installing stokers manufactured by a competitor with infringement suits, when, as a matter of fact, at the time the threats were made, respondent had

not determined to bring any suit, and had not brought such suit at the time the commission issued its complaint.

Brief for the petitioner was filed May 9, and that for the commission June 6.

The case was argued June 25 (the court sitting at Asheville, N. C.), and decided adversely to the commission on October 12, 1931 (52 F. (2d) 836). Pertinent extracts from the decision follow:

> An examination of the record in this case fails to disclose any testimony to support a finding of bad faith on the part of the petitioner. Good faith is always presumed until the contrary is shown by proof.
>
> Here the petitioner, in claiming infringement, did only what its officers undoubtedly thought they had a perfect right to do and what they had been advised to do by their attorneys, who were clearly acting in perfect good faith. There was certainly no more wrong involved in petitioner's threat to sue the Perfection Company for infringement of their patents than there was in the act of the Perfection Company in threatening to sue to enjoin the petitioner and not doing it. A reading of the record leads to the inevitable conclusion that in doing what they did officers of petitioner did only what they thought, and were advised, they had a right to do to protect their legitimate interests. The reason given for the fact that no suit was brought was certainly a logical and reasonable one. * * * * * * *
>
> We are again confronted with what we consider an error of the commission, as, there was no public interest involved. The testimony shows that the only competitor involved was the Perfection Company. Only five purchasers of stokers were approached by petitioner's salesmen, and not one of these was prevented from purchasing the Perfection Company's appliance. There is no evidence, or even contention, that petitioner's stoker was in any way inferior to the Perfection Company's stoker, or that any attempt was being made to impose upon the public by the sale of an inferior article. The courts have uniformly held that parties claiming infringement without suing and in bad faith can be enjoined from continuing such a course.
>
> * * * * * * *
>
> The case here is rather a controversy of a private and personal nature between the petitioner and the Perfection Company, and could have been readily se tied the courts, and if a proper case were made an injunction would have issued against the petitioner.

Application for certiorari was not made in this case.

Hughes, E. Griffiths (*Inc*.), *Rochester, N. Y*.--The Supreme Court of the District of Columbia, January 13, 1932, at the instance of this corporation issued a rule on the commission to show cause (1) why it should not be restrained temporarily from further making public its complaint in this matter; (2) why it should not be restrained temporarily from taking in public any testimony in connection with its complaint, or making public the transcript of such testimony; and why (3) it should not be enjoined perpetually from making public the contents of its complaint or the transcript of testimony adduced in the trial of the case-until such time as the issues are

finally determined-the basis for its proceeding being the claim that the publicity incident to the trial of the case would result in irreparable loss and damage to its business.

The commission, January 25, filed its return to the rule, answer to. the complaint, and motion to dismiss the complaint; and the matter was presented orally to the court that day. The commission directed suspension of hearings until final judicial determination of the matter.

The complaint charged that this corporation, engage d in the sale of proprietary preparations known as Kruschen Salts and Radox Bath Salts, was falsely representing that its Kruschen Salts was a cure or remedy for obesity, and that its Radox Bath Salts, when used in the bath and as otherwise directed, radiated oxygen in great quantities and sufficiently to produce an invigorating and energizing effect. The respondent denied these charges.

The Supreme Court of the District entered its final decree dismissing the bill, February 11, 1932. The corporation noted an appeal in open court; and the appeal was docketed with the Court of Appeals of the District of Columbia, March 15. The next day the corporation filed with the Court of Appeals a petition for temporary injunction, praying that during them pendency of the appeal from the order of the Supreme Court of the District of Columbia dismissing the bill of complaint (February 11), the commission be restrained from taking in public many testimony, or making public the transcript of such testimony. On March 18, the commission filed a motion to dismiss the petition (with brief in support), and, on March 19, the petition with the Court was denied. Printed transcript was filed of Appeals, April 28; the appellant's brief was filed May 26.

The next steps are the filing of the commission's brief, and argument. The case will not be reached before the Fall term.

Keppel, R. F., & Bros (Inc.), Lancaster, Pa., a candy manufacturer, filed with the Third Circuit (Philadelphia), January 25, 1932, its petition to review and set aside commission's order.

The findings are to the effect that this corporation, in connection with the sale and distribution of its products, employs certain methods in the nature of lotteries or gaming devices. For instance, one assortment of its candies is composed of a number of pieces of candy in uniform size e, shape, and quality, retailing for 1 cent each, a small number of which have concealed within them pieces of money.[7]

The next steps, in order, are the printing of the record, the filing of briefs, and argument. Hearing is expected during the fall term. Kirk, James S., & Co., Chicago, filed with the Seventh Circuit

7 For details of the commission's findings in this case see p. 79.

(Chicago), January 12, 1929, its petition to review and set aside the commission's order in this case, which, among other things, directed it to cease and desist from use of the word "Castile," and the words "olive oil soap," either alone or in conjunction or in association with any other word or words which are the name of, or are descriptive or suggestive of, an oil or a fat, in labeling, branding, or otherwise describing soap offered for sale or sold in commerce, the oil or fatty composition of which is not wholly derived from olives.

The court, October 8, 1930, granted the petition for intervention presented by the Proctor & Gamble Co., on the showing that this company had acquired all of the soap business of James S. Kirk & Co., including the brand and trade names used by the latter to designate the soaps manufactured and sold by it as "Castile."

The printed transcript was filed October 29, 1930. On November 25 a joint brief on behalf of the original petitioner (Kirk& Co.) and the intervener (Proctor & Gamble Co.) was filed; and on April 16, 1931, the commission filed its brief. The petitioner and intervener filed a reply brief September 1, 1931.

The case was argued on the merits January 19, 1932, and the commission's order was reversed on April 15, 1932 (59 F. (2d) 179). Pertinent excerpts from the opinion follow:

The commission finds as a fact that castile soap derives its name from the fact that i was first made in the Province of Castile in Spain, in a very early day, and that its oily or fatty ingredient was derived exclusively from olives; that by custom and usage any soap whose sole oily or fatty ingredient is derived from olives is known as castile soap, regardless of Its place of manufacture. We are convinced from the record before us that during the earlier years castile soap was recognized and considered as a soap whose sole oily and fatty ingredient w as derived from olives, and the dictionaries of the various countries, including America, so defined it, and the pharmacopoeias designated it as the one to be used in all medical preparations and prescriptions in which soap was required because its sole oily or fatty ingredient was olive oil. The words "castile soap" thereby become synonymous with "olive oil" soap, and such synonymity still prevails with many people.

In earlier years of the last century, however, some foreign manufacturers made and sold soaps they called "castile" soap who 'se oily or fatty ingredient was not solely of olive oil and much of those products was imported into America. At that time the soap industry in America was begun, and many of our earlier soaps makers did the same thing and have continued the practice up to the present time. During seventy-five years last past that practice has grown to such an extent that practically all of our soap makers are resorting more or less, to that custom.

* * * * * * *

A perusal of the very voluminous record in the case convinces us that the present contrariety of opinion as to the meaning of the words "castile soap" is a result of an effort on the part of certain soap manufacturers, both foreign and American, extending from very early times to the present, to corrupt and change the public's understanding of the meaning of those words to the manu-

facturers' advantage. That this effort has been in a great degree successful can no more be denied than the methods employed can be approved. As a result of such effort it is not at all surprising that the present laity should have such diversified views as to the meaning of the words, for the record supports us in saying that a greater part of the laity knows very little and cares less as to the constituent elements of any soap.

That in former years the methods used did deceive and had the capacity and tendency to deceive is fully supported by the evidence; and were it not for the action of the Bureau of Standards of the United States Department of Commerce, that capacity and tendency would still exist.

* * * * * * *

By the act of 1901, 31 Stat. 1449, 15 U. S. C. A. 271, et seq., Congress established the National Bureau of Standards and authorized that bureau's director to issue bulletins for public distribution containing such information as might he of value to the public or facilitate the bureau in the exercise of its functions. Pursuant thereto, the following bulletin was promulgated and distributed:

UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF STANDARDS

Circular No.62, "Soap," 3d Edition, published January 24, 1923, at p. 9

"Castile soap was originally made from low-grade olive oils. The name now represents a type of soap, the term 'castile' being applied to a soap intended for toilet or household use, sold usually in large, unwrapped, unperfumed bars, which are cut up when sold or when used. It is often drawn directly from the kettle without 'crutching,' but is sometimes crutched a little or even enough to make it float and is sometimes milled. It is also sold in small bars, both wrapped and unwrapped. The type is not one easily defined, so now when made from olive oil it is invariably sold as olive-oil castile There are soaps made entirely from coconut oil which are sold as coconut castiles or hard-water castiles. Many other castiles are made from a mixture of coconut oil and tallow."

This circular was discussed in petitioner's briefs and it was ignored by respondent. We deem it quite pertinent and decisive of the question before us. The Government, through its agency, the Bureau of Standards, has thus committed itself to the proposition that castile soap may be made of oily and fatty elements other than olive oil. Being solely a question of fact, we deem it expedient for other departments of the Government, including the judiciary, to accept such construction, if for no other reason than that of consistency.

The commission, May 5, filed a petition for rehearing, based on the following grounds, among others: (1) That the Federal Government, through the Bureau of Standards, has not Committed itself to the proposition that castile soap may be made of oily and fatty elements other than olive oil, and does not purport to do so; (2) that the Bureau of Standards is without authority under its organic act to commit the Federal Government to the proposition that castile soap may be made of oil or fatty elements other than olive oil; (3) that the facts appearing in the record do not justify the conclusion that a secondary meaning of the term "castile" has been established; (4) that the statements in Circular No.62 of the Bureau of Standards are not based on evidence in the legal sense; and (5) that the commission's power to prevent the use of unfair methods of competition

in interstate commerce can not be nullified by any action taken by the Bureau of Standards.

The Kirk Co., together with the Proctor & Gamble Co. as intervener and copetitioner, filed answer to the petition May 31, and the commission a short reply brief June 9. The petition was denied June 22, 1932.

On July 1 the commission voted in favor of making an application for writ of certiorari. The Solicitor General was opposed to this, but authorized the commission to file a petition, which it did, October 22, 1932.

Lomax Rug Mills, Philadelphia.--The findings in this case were to the effect that one H. L. Lomax engaged in the purchase of rugs and carpets from manufacturers, and their resale to retailers and consumers; that a small portion of these products were "fabricated" by him from the standard carpet material thus purchased; that this "fabrication" consisted in cutting up the material into the desired sizes, sewing it together, hemming the ends, and putting a fringe on it; that he advertised extensively, stressing that he was a manufacturer those purchasing from him would effect substantial economies by elimination of the middleman's profit.

The commission directed Lomax to cease and desist: (1) From doing business under the trade name and style of "Lomax Rug Mills," or any other trade name which included the words "mill" or "rug mills," unless and until he actually owned or operated a factory or mills in which he manufactured the rugs and carpets which he sold; and (2) from inserting or causing to be inserted advertisements in newspapers, magazines, or other periodicals, or distributing circulars, handbills, private mailing cards, or any other forms of advertising literature containing statements, slogans, words, phrases, sentences, or representations indicating or creating the impression that he was the manufacturer of the articles which he sold, unless and until, he actually manufactured such articles.

Lomax took exception to the order, and, on September 24, 1930, filed with the Third Circuit (Philadelphia) his petition to review and set it aside. By stipulation, the case was continued until the March, 1932, term; and on March 12, 1932, upon consideration of a stipulation of the parties, the court entered its order dismissing the petition for review. The basis for the commission's agreement to this met hod of disposal of the case, was the filing by Lomax of a report showing substantial compliance with its order, in interstate commerce.

Marietta Manufacturing Co., Indianapolis, filed with the Seventh Circuit. (Chicago), August 18, 1930, its petition to re view and set aside the commission's order. It was engaged in the business of manufacturing and selling in interstate commerce a product used for interior walls, wainscoting, ceilings, table tops, counters, and like

purposes, which it advertised and described as "Sanionyx," "Sani-Onyx," and "Sani-Onyx, a Vitreous Marble." The product was manufactured from various ingredients, the chief of which was silica. It was neither marble nor onyx but it was manufactured in slab form and was capable of being used in place of natural or quarried onyx or marble when such onyx or marble was in slab form.

The commission concluded that the designations used by the company for its product were false and misleading, and entered its order accordingly.

Petitioner's brief was filed January 5, 1931; and, January 14, the National Association of Marble Dealers, through its counsel, filed its brief *amicus curiae*, concluding with the statement that "the order of the Federal Trade Commission was right and it should stand as entered." The commission's brief was filed January 26 and, February 5, petitioner filed a reply brief.

The case was argued April 23, and on June 16, 1931, the court handed down its opinion in favor of the commission. (50 F. (2d) 641.) Pertinent excerpts from the decision follow:

The Marietta Manufacturing Co. for 20 years has manufactured and sold a product used for interior walls, wainscoting, ceilings, table tops, counters, and other like purposes. This product has been advertised and sold as "Sani-Onyx, a Vitreous Marble." It is not a product of nature. It is neither a marble nor onyx. Its chief ingredient 18 silica, and it is manufactured in slab form and may be used in place of natural or quarried onyx or marble when such onyx or marble is in slab form. It is made in a great variety of colors, and in some of its colors it resembles marble and in others a type of onyx.

* * * * * * *

Petitioners assert that the commission's finding that the designation of petitioner's product is false and misleading and has the tendency and capacity to deceive purchasers into the belief that the product is onyx or marble is not sustained by the proof. The product, it is asserted, is sold, for the most part, to jobbers, contractors, and builders, who could not possibly be misled by the designation or by anything in the advertising into the belief that they were purchasing a kind of marble or onyx. A method of competition, inherently unfair, does not cease to be unfair because the falsity of the manufacturer's representation has become so well known to the trade that dealers, as distinguished from consumers, are no longer deceived. The honest manufacturer's business may suffer, not merely through a competitor's deceiving his direct customer, the retailer, but also through the competitor's putting into the hands. of the retailer an unlawful instrument, which enables the retailer to increase his own sales of the dishonest goods, thereby lessening the market for the honest product. (Federal Trade Commission *v*. Winsted Co., 258 U. S. 483, 494.) It may be that building contractors were not deceived. Petitioner, however, carried on an advertising campaign the effect of which was to create 'in the mind. of the public the belief that this product was a kind of marble and lead them to deal with it as such in agreeing to specifications or buying houses. The designation was adroitly selected and the advertisements cunningly framed so as to go as far as possible in giving the false impression without transcending the limits of literal truth, except in the use of the words "marble" find "onyx."

On July 6, 1931, the Marietta filed a petition for rehearing; and the commission, July 15, filed its answer thereto. The petition was denied July 25, 1931.

Mennie, F. L., Omaha.--This respondent, an individual trading under the names and styles of Mineral Coal Saver Co., Mennie Manufacturing Co., and M. & K. Manufacturing Co., with principal office and place of business in Omaha, Nebr., on February 6, 1931, filed with the Eighth Circuit (St. Louis) a petition for review of the commission's order.

The findings were to the effect that Mennie was manufacturing and selling in interstate commerce a powder designated by him as "Mineral Coal Saver," which was composed for the most part of common salt; that he represented that this product, when ii sed according to directions, would make poor coal good and good coal better; that it prevented and removed soot; that it increased the heat from a given quantity of coal from 22 to 28 per cent in British thermal units; that it gave 20 per cent more heat with less coal; and other similar statements. The order directed the cessation of these practices.

The case was originally set for hearing on November 16, 1931, at St. Louis, Mo.; subsequently it was continued to March 14, 1932, at Kansas City, Mo.

In the meantime, due to the continued failure of the petitioner to print the record and file its brief, the commission moved to dismiss the proceedings. The petitioner, Mennie, subsequently filed a motion of his own to dismiss, which was granted by the court March 14, 1932.

Northam Warren Corporation, New York, filed with the Second Circuit (New York City), December 22, 1931, its petition to review and set aside the commission's order.

Briefly, the findings were to the effect that the petitioner, which is engaged in the manufacture, sale, and distribution of toilet articles and preparations, including preparations used for manicuring 'jails and the care of the cuticle, sold under the trade name "Cutex," published and circulated in nationally distributed magazines and trade papers, advertisements containing testimonials from socially or theatrically prominent individuals, for which testimonials the petitioner had paid substantial sums of money, without making any disclosure of the fact of such payment; and that the failure to make such disclosure had the capacity and tendency to mislead and deceive the ultimate purchasers of the preparations into the erroneous belief that the testimonials were entirely voluntary and not purchased; and tended to divert trade from competitors not following a similar practice.

The order directed the petitioner to cease and desist "from the use, or authorizing the use by others, in advertising or otherwise, of testimonials or endorsements of its toilet articles and toilet preparations, for which said testimonials and endorsements respondent has paid substantial sums of money, without disclosing the fact that respondent has paid substantial sums of money therefor."

Briefs were filed, not only by the corporation and the commission but on behalf of the Pond's Extract Co. and Standard Brands (Inc.), respectively, as amici curiae; the case was argued May 5-6, 1932, and the court, on June 6, 1932, handed down an opinion reversing the commission's order (59 F. (2d) 196).

During the course of its opinion the court said:

> There is no claim of misbranding, falsity, or insufficiency in the statement labeling the product. * * * The quality of the petitioner's products is not brought into question; nor is there a charge that its products were inadequately labeled or so testified to, by testimonials, as to induce the public to purchase from it tinder practices of deception. The endorsements are said to be neither exaggerations nor untruthful. There is no claim of monopoly. * * *It is doubtful if the public is gullible enough to believe that such testimonials are given without compensation. But If they are paid for, providing they are truthful, no one is deceived. * * * Because a prominent person ventures an opinion without being requested to do so is no guaranty either of veracity or good judgment. If the testimonials involved here represent honest beliefs of the endorsers, there is no misrepresentation concerning the product, and no unfair competition is created. We have no right to presume that endorsers of commercial products falsify their statements because they have received compensation. There are no misrepresentations and the commission was without jurisdiction.

The commission, July 1, voted in favor of making application for writ of certiorari. The Solicitor General decided not to apply for certiorari.

The NuGrape Co. of America, Atlanta, filed with the Fifth Circuit (New Orleans), July 3, 1931, its petition to review and set aside the commission's order to cease and desist of May 19, 1931.

The order entered, which is quite similar to those approved by the Sixth and Seventh Circuits in the Good Grape and Morrissey cases, respectively (discussed in prior annual reports), directed the corporation to cease and desist from using or authorizing the use of the words "NuGrape" or "Grape," alone or in conjunction or combination with any other word or words, letter or letters, in any way in connection with the sales or distribution of a product not composed wholly of the natural fruit of juice of grapes, with the provisos: (1) That if such product is composed in such substantial part of the natural fruit or juice of grapes as to derive therefrom its color and flavor, the words "NuGrape" or "Grape" may be used if accompanied with a word or words, equally conspicuous in char-

acter or type, clearly indicating that such product is composed in part of material or materials other than the natural juice or fruit of grapes; and (2) that if the beverage produced from respondent's sirup is not composed in such substantial part of the natural fruit or juice of grapes as to derive therefrom its color and flavor, the words "NuGrape" or "Grape" may be used if it is made prominently to appear that the product is an imitation, artificially colored and flavored. The order also forbade the use of any word or words falsely representing or suggesting that a product is made from the natural juice or fruit of grapes or contains the natural juice or fruit of grapes in such substantial quantity as to derive therefrom its color and flavor.

The findings were to the effect that the respondent was engaged in the manufacture of a concentrate or sirup, called by it "NuGrape," and in the sale of the same to numerous bottling plants and jobbers located in the various States, for the purpose of having manufactured therefrom a beverage also known, advertised, and sold under the name "NuGrape"; that exhaustive analyses made by chemists of the United States Department of Agriculture showed that this "NuGrape" sirup was an artificially colored invert sugar sirup containing added acid, principally tartaric, and not more than 20 per cent of grape juice; that the "NuGrape" beverage, made from respondent's sirup, was an artificially colored beverage sweetened with invert sugar and acidulated with said added acid and containing not more than 4 per cent of grape juice; and that respondent's product "NuGrape" sirup did not contain the natural fruit or juice of the grape in quantity sufficient to give it its color or flavor.

For some months, certification of the record, briefing, and argument were held in abeyance pending possible settlement of the case out of court.

On April 15, 1932, on motion of counsel for the company, the court entered its order dismissing the petition for review. This method of disposition was predicated upon the company's filing, with the com-mission, a report showing compliance with the latter's order i. e., that its drink was now, under a new formula, a true-grape beverage, containing as much real grape juice as a carbonated drink of this character could contain, and deriving both color and flavor from real grape juice.

Paramount-Famous-Lasky Corporation, New York.--The commission, July 9, 1927, entered its order to cease and desist in this proceeding, which, briefly, was directed against a conspiracy in restraint of trade in the business of producing, distributing, and exhibiting motion-picture films, against the practice of "block booking" of motion-picture films, and the acquisition of theater buildings for the

purpose of intimidating or coercing exhibitors of motion-picture films to lease and exhibit films produced by respondents.

In due course respondents filed with the commission their report in writing, setting forth in detail the manner and form in which they were complying with the order. This was accepted as unobjectionable, with the exception of that portion relating to compliance with paragraph 2 of the order, concerning "block booking." This particular portion was rejected as being insufficient to show compliance with the paragraph in question; and the next step was the filing by the commission, August 1, 1928, with the Second Circuit (New York City) of its application for enforcement, together with a complete transcript of the proceedings theretofore had before the commission.

This record, one of the largest ever before the commission, comprised more than 17,000 pages of testimony and extensive exhibits consisting of more than 15,000 additional pages, a total of more than 32,000 pages. By the rules of the Second Circuit the burden of printing the record in Federal Trade Commission cases falls upon the petitioner-in this case, the commission. The size of the record was, of necessity, one of the considerations which led the commission to agree that the issue before the court might be confined to paragraph 2 of the order relating to "block booking," and as a result of this decision considerable time was devoted to negotiations looking to the elimination of such of the testimony and exhibits as was irrelevant to the point at issue. By the eliminations referred to the record was reduced to some 2,000 pages.

On March 9, 1931, the court granted the motions of the commission: (1) For leave to amend its application for enforcement so as to limit the issue to paragraph 2, relating to " block booking"; and (2) for an order directing a revision and condensation of the transcript, the establishment of such revision and condensation as the record of the evidence, and that the commission cause to be printed only such record. Appropriate orders were entered March 17; the printed record, with the commission's brief in chief, was filed December 9, 1931. Respondents' brief in chief was filed March 5, 1932, and the case was argued March 9, 1932. On April 4 it was decreed against the commission (57 F. (2d) 152). In its opinion, the court, speaking through Judge Manton, said:

> There is free competition among producers and distributors for the distribution and marketing of their pictures. There is a lack of monopolization by the respondent and, in fact, lack of ability to achieve a monopoly and, therefore, not a business operation which would unduly hinder competitors. * * * The respondent's sales methods have not been shown to have any effect upon its competitors--the small producers--when the whole field is surveyed, and it is impossible to say on the evidence that the effect of block-booking as practiced by the respondent, or its accumulative effect as practiced independently by the

respondent and others, has unfairly affected competition. On the other hand, it may fairly be said that all persons engaged in the production of pictures have been able successfully to distribute their product. This has permitted fair competition in the industry. * * * The respondent has lawfully exercised its right to sell its product. to the best advantages and in such quantities and to such persons as it chooses. * * * The means and methods employed in marketing its leases of films to prospective customers are matters within the business judgement of a private producer of films and carries with it the legal right to bargain and negotiate as the respondent did. The method of negotiation which has been condemned by the commission does not disclose a dangerous tendency unlawfully to hinder competition nor does it create a monopoly. The findings are insufficient in law to support the conclusions of fact reached and therefore the petition to enforce paragraph 2 of the order to cease and desist must be denied.

The commission, April 25, 1932, voted in favor of making an application for writ of certiorari. The Solicitor General decided that the application should not be made.

Philippine mahogany cases.-The Indiana Quartered Oak Co. (New York), filed with the Second Circuit (New York City), May 2, 1932, its petition to modify the decree of that court affirming the commission's order and commanding obedience thereto; and the petition was granted May 9 (58 F. (2d) 182).

The grounds assigned for the petition were: That the commission, in 1927, ordered the company to cease and desist from advertising and selling certain woods of the Philippine Islands as "mahogany" or "Philippine mahogany"; a subsequent review of the order resulted in its affirmance in 1928, and denial of certiorari by the Supreme Court; that, at the time of the decree (October 14, 1929), there were a large number of dealers in, and users of, the woods in question who had established business in the woods and products composed thereof which they are advertised, sold, and designated as "Philippine mahogany"; that a number of these dealers petitioned the commission to institute new proceedings against one of their number, to the end that a more complete disclosure of the facts regarding the subject matter might be obtained; that a test case was selected and tried (the allegations in the complaint being the same as in the complaint involving the Indiana Co.), and that the commission, upon the record made, dismissed this test case; that, subsequently, a number of other complaints involving the same practices were dismissed on the stipulation that respondents, in the sale, description, and advertisement of the wood in question would not employ the word "mahogany" without the modifying term "Philippine."

The prayer of the petition was that the court so modify its decree as to place the Indiana Co. on the same footing in describing the wood in question as enjoyed by the other dealers stipulating with the commission; or to vacate the decree and remand the proceedings to the commission for further consideration.

The commission, in its answer, admitted the allegations of the petition, and the matter was taken under advisement by the court, with the result as above indicated.

Joint petitions to modify outstanding decrees were also filed, with the Eighth Circuit (St. Louis), on behalf of the Powe Lumber Co.; and, with the Ninth Circuit (San Francisco), on behalf of the Kirschmann Hardwood Co., the Hammond Lumber Co., and the Robert Dollar Co.

The Eighth Circuit, May 31, denied the Powe petition for want of jurisdiction; on June 8, it vacated and set aside the order denying the petition; and, June 10, it granted the joint petition and entered the modified decree.

In the cases in the Ninth Circuit, the joint petitions were granted and modified decrees entered June 6.

Raladam Co., Detroit, May 16, 1929, filed with the Sixth Circuit (Cincinnati) its petition to review and set aside the commission's order.

The findings were to the effect that the company was selling thyroid "obesity cure" tablets (under the name "Marmola Prescription Tablets") as safe, effective, and dependable in use, when the present knowledge of thyroid as a remedial agent does not justify such representations. The order directed the cessation of such practices.

After briefing and argument, the court, June 28, 1930, handed down its decision, vacating and setting aside the commission's order. The court, in the course of its opinion (42 F. (2d) 430), said:

> The thing forbidden by the statute is unfair competition. This can not exist unless there is competition, and there can not he competition unless there is something to compete with. It must be evident that the trade which was to he protected against restraint (and unfair competition is a kind of restraint) was that legitimate trade which was entitled to hold its own in the trade field without embarrassment from unfair competition. The first thought might be that the one invoking protection should be a particular trader; but the Winsted case (258 U. S. 488) teaches that protection will also be given under this statute to the entire class of trade which is having its former customers taken away from it by false representations that the competing goods are of the same: descriptive qualities as those put out by the complaining class. It is apparent from this record, as well as from other recent or pending cases in this court and other decisions of the commission and from announcement by its members shown in this record, that the commission does not take this limited view of its jurisdiction, but that it believes itself authorized to issue its "desist and refrain" orders in any case where it concludes that sales methods may mislead a substantial part of the purchasing public, in a way and to an extent that, in the judgment. of the commission, is injurious to the purchaser. The general law of unfair competition uses the misleading of the ultimate retail purchaser as evidence of the primarily vital fact-injury to the lawful dealer; the commission uses this ultimate, presumed injury to the final user as itself the vital fact. The result is a realization of what was suggested in the former

opinion as the opened vista (289 Fed. 992-993) and a pro tanto censorship by the commission of 411 advertising.

* * * * * * *

We have do occasion to deny, nor, indeed, reason to doubt, that this elimination would tend to the public good; but we can not think that Congress had any conception that it was creating a tribunal for that kind of action. Its failure for many sessions to pass a proposed "pure fabric" law, and others of similar character, is familiar; but if the commission's view of its jurisdiction is right, these laws are unnecessary.

The commission filed its petition for writ' of certiorari September 27, 1930. Petition was granted November 3, 1930, the review to be limited to the question of jurisdiction of the commission.

The commission's brief was filed April 4, 1931, and that of the respondent April 20. The; case was argued April 24 and decided against the commission on May 25, 1931. In the course of its opinion the court said (283 U. S. 643):

Findings, supported by evidence, warrant the conclusion that the preparation is one which can not be used generally with safety to physical health except under medical direction and advice. If the necessity of protecting the public against dangerously misleading advertisements of a remedy sold in interstate commerce were all that is necessary to give the commission jurisdiction, the order could not successfully he' assailed. But this is not all.

* * * * * * *

It is obvious that the word "competition" imports the existence of present or potential competitors, and the unfair methods must be such as injuriously affect or tend thus to affect the business of these competitors; that is to say, the trader whose methods are assailed as unfair must have present or potential rivals in trade whose business will be, or is likely to be, lessened or otherwise injured. It is that condition of affairs which the commission is given power to correct, and it is against that condition of affairs and not some other that the commission is authorized to protect the public.

* * * * * * *

While it is impossible from the terms of the act itself, and in the light of the foregoing circumstances leading up to its passage, reasonably to conclude that Congress intended to vest the commission with the general power to prevent all sorts of unfair trade practices in commerce apart from their actual or potential effect upon the trade of competitors, it is not necessary that the facts point to any particular trader or traders. It is enough that there be present or potential substantial competition, which is shown by proof, or appears by necessary inference, to have been injured, or to be clearly threatened with injury, to a substantial extent, by the use of the unfair methods complained of.

* * * * * * *

Findings of the commission justify the conclusion that the advertisements naturally would tend to increase the business of respondent; but there is neither finding' nor evidence from which the conclusion legitimately can be drawn that these advertisements substantially injured or tended thus to injure the business of any competitor or of competitors generally, whether legitimate or not. None of the supposed competitors appeared or was called upon to

show what, if any, effect the misleading advertisements had, or were likely to have, upon his business.

* * * * * * *

It is impossible to say whether, as a result of respondent's advertisements, any business was diverted, or was likely to be diverted, from others engaged in like trade, or whether competitors, identified or unidentified, were injured in their business, or were likely to be injured, nor, indeed, whether any other antiobesity remedies were sold or offered for sale in competition, or were of such a character as naturally to come into any real competition, with respondent's preparation in the interstate market. All this was left without proof and remains, at best, a matter of conjecture. Something more substantial than that is required as a basis for the exercise of the authority of the commission.

On June 1, 1931, on motion of the Solicitor General on behalf of the commission, the court granted leave to file, within 30 days, a motion to modify its judgment, at the same time staying its mandate until disposition of the motion in question. Such a motion with brief in support, was filed June 30, 1931. The motion asked that the judgment of the Supreme Court be modified by adding thereto a direction to the Sixth Circuit to so modify its decree as to permit further proceedings before the commission for the taking of additional evidence as to the Raladam competitors and as to the injury to such resulting from the company's trade practices, and for the making of further findings, of' fact and a further order based on such additional evidence. A brief in opposition was filed August 20, 1931.

The court October 12, 1931, denied the motion, but without prejudice to application to the court of appeals for similar relief. Such an application, with brief in support, was filed with the Sixth Circuit on November 13, 1931. The company filed a brief in opposition December 16 and the commission a reply brief, on January 2, 1932.

The court denied the commission's motion February 5, 1932. In so doing it entered the following order:

This cause coming on to be heard upon motion of the Federal Trade Commission to modify the decree heretofore entered herein pursuant to our opinion as reported in 42 F. (2d) 430, so as to permit the taking of additional evidence bearing upon the existence of competition and injury to competitors, and this court deeming it unnecessary to decide the three questions principally argued, viz: (1) Whether it is still open to the commission to proceed with a new complaint; (2) whether the decision of the Supreme Court on appeal (283 U. S. 643) in effect found error in our decision that the representations of the safety and the scientific nature of the remedy were mere expressions of opinion, over which the jurisdiction of the Federal Trade Commission did not extend; and (3) the jurisdiction of this court now to entertain such motion, whether as incident to the jurisdiction heretofore attaching, or under section 5 of the Federal Trade Commission act.

It is ordered that the motion be and the same is hereby denied.

Royal Milling Co., Nashville, etc.--On June 12, 1931, John McGraw and E A. Glennon, partners conducting business under the names of Royal Milling Co., Richland Milling Co., and Empire Milling Co., filed with the Sixth Circuit (Cincinnati) a petition to review and set aside the commission's order. Similar petitions were filed January 6, 1932, by the Tennessee Grain Co., Nashville Roller Mills, Snell Milling Co., State Milling Co., and the Cherokee Mills.

The petitioners in question were all concerns situated at Nashville, Tenn., and selling flour in the Southeastern States; and the findings of the commission were to the effect that they used the words "Milling" and "Mills" in their corporate or trade names, and represented. themselves as "Manufacturers of Flour," when, as a matter of fact, they did not extract flour from wheat, but bought it from concerns. actually grinding the wheat, and mixed the flours together by stirring them in what is known as a "batch mixer," in some instances stirring in, with the flour, such substances as salt, soda, and phosphate, so that leavening ingredients would not have to be added later.

The commission ordered these concerns to cease and desist from the use of the words "Mills," "Milling," and "Manufacturers of Flour," until they actually owned and operated the plants in which the flour, sold by them, was ground.

The cases were briefed and argued together, and, on May 4, 1932, were decided against the commission (58 F. (2d) 581) The court, in its opinion, said:

> There is here manifestly no threat to competition. Such effect as the commission's orders may have upon the active competition that now exists will be in the direction of stifling rather than of preserving it. There is no oppression of the weak by the strong, the grinding millers, being strong concerns organized into powerful trade organizations, and the record fails wholly to establish any injury to the public or any loss suffered by it, either individually or in the aggregate. * * * There is no finding that either dealer or consumer obtained an inferior product or a product other than he sought to purchase. * * * Failing to see any public injury, or financial loss in the methods of competition here reviewed, we find no public interest exists, much less, one that is specific and substantial. If there is any deception in the petitions representations or trade names, it amounts at most to a private wrong, as in the Klesner case, and one not to be redressed by action of the commission.

The commission, July 1, 1932, voted in favor of making application for writ of certiorari.

Temple Anthracite Coal Co. Scranton, Pa., filed with the Third Circuit (Philadelphia), May 28, 1930, its petition to review and set aside the commission's order in this case, which was directed against stock acquisition in violation of section 7 of the Clayton Act. Respondent was a holding corporation and acquired the stock of two competitive corporations engaged in interstate commerce. The

commission's order directed the divestiture of the stock of one of the competing corporations.

The petitioner's brief was filed October 22, 1930, and that of the commission December 1. The case was argued Dec ember 4, 1930, and decided July 9, 1931 (51 F. (2d) 656), the order of the com-mission being set aside (Judge Woolley dissenting). Pertinent excerpts from the majority opinion of the court follow:

The commission reached the conclusion as an ultimate fact that the effect of the purchase, acquisition, and holding of the stock of the two corporations by the respondent has been or may be to substantially lessen competition between the corporations, as alleged in its complaint. We will, therefore, consider whether that ultimate finding of fact is sustained by the basic facts as found from the evidence before the commission.

* * * * * * *

There are no facts found and we find n evidence produced before the commission to show the relation between the percentage of coal mined and sold by the Temple Coal Co. and its subsidiaries and that sold by the East Bear Ridge Colliery Co. to the total output of anthracite coal of the same kind and quality in the whole anthracite region. From the facts found as to the value of the annual output of the respective mines it is quite apparent that the percentage of these mines to the total output can not be consequential. Therefore, if competition were lessened, its effect upon the whole interstate trade in anthracite coal would not tend to create a monopoly through substantially lessening competition. There is no fact found or evidence to show that there was, prior to the acquisition of the stock, actual direct competition between the Temple Anthracite Co. and the East Bear Ridge Coal Co. The Temple Coal Co. disposed of all of its coal either by sale or agency contract, through Thorne, Neale & Co. (Inc.). The East Ridge Colliery Co. disposed of all of its coal either by sale or agency contract through Madeira, Hill & Co. However, the evidence shows and the facts found from the evidence show that these two wholesalers in coal were and are in active competition in obtaining orders for sale and in selling to customers through their offices in various cities.

* * * * * * *

It is shown that at the time of the hearings and during the period covered by the testimony these wholesalers were competing in the open market for customers not only for this coal but for coal mined by other collieries, and that they are still competing in the same markets and in exactly the same way as they were before the complaint was filed. As long as the contracts with the wholesalers continue in existence, and there is nothing in the case to show that they will not continue, they are each under the same incentive to acquire and sell the output of the respective collieries as they were prior to the complaint. There is no evidence, and no facts are found, to show that competition between Thorne, Neale & Co. (Inc,) and Madeira, Hill & Co., in selling the coal of these two companies, has been or may be reduced through the ownership of the stock of the respective companies by Temple Anthracite Coal Co. The only effect which the ownership may be found to have brought about is the reduction of overhead and operating expenses.

* * * * * * *

With no evidence in the case to support the finding of fact that the effect of the acquisition of the stock "has been and is to substantially lessen competition," our conclusion is that the actual active competition which is shown

by the evidence, without contradiction, to have existed and to continue to exist between Thorne, Neale & Co. (Inc.) and Madeira, Hill & Co. negatives, so long as it may exist, the very effect which the commission has found to be caused by the acquisition by the Temple Anthracite Coal Co. of the capital stocks of the mining companies.

Judge Woolley, dissenting, first calls attention to the fact "that the complaint charges a violation of the single provision of section 7 of the Clayton Act, which forbids the acquisition of two corporations by a third 'where the effect of such acquisition * * * may be to substantially lessen competition between such corporations * * *,'" and that " the restraint of trade and monopoly provisions of the section were not invoked and are not involved." He subsequently commented as follows:

> While the two underlying companies before their absorption could, because of their complete independence, separately refuse orders that were satisfactory without disturbing competition between them, the power to decide when to accept and refuse orders passed from them on their acquisition by the petitioner and became vested in the petitioner which thereafter could alone determine when orders were unsatisfactory and by directing its self-appointed officials of the two corporations to decline such orders would "substantially lessen competition"--indeed, actually end competition--between the two corporations.
>
> * * * * * * *
>
> The petitioner thus has power, ever present, to be exercised at its will, to do the thing denounced by the law. In my judgment, when the petitioner acquired the underlying coal companies and at the same time acquired the power to cause them to decline unsatisfactory orders, there was a complete transfer of power with respect to competition, producing a situation "where the effect * * * may be to substantially lessen competition between such corporations" and certainly will be to lessen or stop competition whenever the temptation to use the power shall arise.

The commission voted in favor of making application for writ of certiorari; the Solicitor General decided that the application should not be made.

V. Vivaudou (*Inc*.), *New York*, filed with the Second Circuit (New York City), July 22, 1930, its petition praying that the commission's order be reviewed and set aside.

The findings were to the effect that the corporation had acquired the stock of competitors in the sale of perfumes and cosmetics, in violation of section 7 of the Clayton Act. The order directed the divestiture, in good faith, of all of the capital stock of its former competitors acquired and owned by it, such divestiture to carry with it all of the property and assets of the former competitors.

After several continuances, during which the possibility of withdrawal of the petition was discussed, the commission, April 2, 1931, filed with the court a transcript of the proceedings before it. This was subsequently printed, and filed in its printed form May 2, 1931. Brief for the petitioner was filed August 24, 1931, the commission's brief October 5, and brief of Messrs. Root , Clark & Buckner, as

amici curiae, October 9. The case was argued October 15, and decided adversely to the commission November 2, 1931 (54 F. (2d) 273).

The court quoted the rule laid down in the International Shoe Co. case, namely:

> Mere acquisition by one corporation of the stock of a competitor, even though it result in some lessening of competition, is not forbidden; the act deals only with such acquisitions as probably will result in lessening competition to a substantial degree, that is to say, to such a degree as will injuriously affect the public. Obviously, such acquisition will not produce the forbidden result if there be no preexisting substantial competition to be affected; for the public interest is not concerned in the lessening of competition, which, to begin with, is itself without real substance.

The court further said:

> This court may review this record to determine whether the evidence requires a contrary conclusion to that arrived at by the commission as to the effect of the acquisition of the stock of the Smith Company and the Parfumerie Melba (Inc.) in substantially lessening competition. We must consider the extent of the trade carried on by the three companies and compare it with the volume of business carried on by their competitors previous to the period of ownership of the stock, and endeavor to ascertain whether the public interest has been affected. * * * There can be no monopolistic tendency in acquiring control of properties which added four million dollars to the petitioner's already three millions volume of business, when the total of the country's similar business, amounting to at least one hundred and twenty-five million, is considered, * * * in addition, it appears that there are from 300 to 500 different perfumery and cosmetic manufacturers throughout the United States, 3,000 face powder manufacturers, each claiming individual odors and the most of them having their own trade names. * * * Unless there be a monopoly or tendency toward monopoly, we would not be warranted in concluding that the public had an interest as referred to in the statute. There is no evidence of increase in price brought about through the ownership of the stock or supervision of the companies, nor is there evidence of elimination of any of the lines of production, or curtailment of the same, nor evidence of divisions of territory. The effect seems to have been to increase the sales of the products of the three companies.

The commission voted against making application for writ of certiorari in this case.

White Pine cases.--Petitions for review of the commission's orders in a number of these cases were filed with the Ninth Circuit (San Francisco) during January, 1932. The names of the concerns involved are: Algoma Lumber Co., Big Lakes Box Co., George E. Breece Lumber Co., Cady Lumber Corporation, California Fruit Exchange, Clover Valley Lumber Co., Davies-Johnson Lumber Co., Diamond Match Co., Ewauna Box Co., Feather River Lumber Co., Hobart Estate Co., Lassen Lumber & Box Co., Pelican Bay Lumber Co., and Red River Lumber Co. They are situated in California, Oregon, Nevada, Arizona, and New Mexico. They are part of a group of 50 cases in which the commission issued complaints charging unfair methods of competition by using the phrase "White Pine"

as part of such trade designations as "California White Pine," "Arizona White Pine," "New Mexico White Pine," and " Western White Pine" for a species of yellow pine known as *Pinus ponderosa*. Of the 50 complaints, 11 were dismissed before trial or subsequently. Against the remaining 39 orders to cease and desist were entered. Twenty-five companies have elected to abide by the orders.

The commission's orders are based on findings to the effect that the lumber to which respondents apply the phrase "White Pine" is not, as above stated, white pine, but a species of yellow pine; that the latter is inferior for certain important uses; has a higher degree of variableness in such qualities as hardness, weight, density, and color; has a large proportion of sapwood; is less durable when exposed to the weather; has a greater tendency toward shrinking, warping, and twisting; and is excelled by true white pine in softness of texture, freedom from resinous content, paleness of color, lightness of weight, ease of working, ability to hold nails close to the edge, and to take paint.

The commission further found that respondents' use of the phrase "White Pine" was misleading and confusing to the general public, architects and builders, many retail dealers, and to certain millwork manufacturers; and was to the detriment of the public and of competitors selling genuine white pine or selling Pinus Ponderosa lumber without designating it as "White Pine." Many of these findings were attacked in the petitions filed in court.

The order made by the court in this case, permitting the filing of petitions for review, required the inclusion, in the record to be certified by the commission, of a copy of the trial examiner's report upon the facts. The commission moved to amend the order by striking out this requirement, and the court, March 7, granted this motion. In the course of its opinion, 56 F. (2d) 774, it said:

> We are inclined to agree with the contention of the Federal Trade Commission that in the routine certification of its record to the courts it should not be required to certify the report of the examiner or the exceptions thereto unless such report and exceptions are referred to in the findings of the commission and thereby adopted by it as its findings. It is stated, and there is no suggestion to the contrary, that in the present proceeding the findings of the commission did not refer in any wise to the examiner's report. If upon the hearing of the matter before the court it seems desirable that any part of the record or proceedings before the Federal Trade Commission would be helpful in determining the cause, and such part of the record has not been certified, it can be supplied upon the hearing or afterward by stipulation of counsel or certification by the Federal Trade Commission upon a supplemental order requiring that to be done * * *
>
> We are not impressed that the report of the examiner would be of any assistance in coming to a conclusion in the matter, particularly where the contention is that it has been disregarded by the commission.

* * * * * * *

It is in the interest of expedition that the uniform course of procedure adopted in the presentation of these records be followed, and we feel that the course usually adopted by the commission of omitting the examiners' report in the transcript is the better practice to be followed unless upon the hearing of the matter the inclusion of the report for some reason appears necessary to correct the decision.

Brief for the petitioners was filed May 20, and that of the commission June 20. The case was argued on the merits June 24, 1932.

TABLES SUMMARIZING WORK OF THE LEGAL DIVISION AND COURT PROCEEDINGS, 1915-1932

TABLE 1.--*Preliminary Inquiries*

	1915	1916	1917	1918	1919	1920	1921	1922	1923
Pending beginning of year	0	4	12	32	19	29	61	68	147
Instituted during year	119	265	462	611	843	1,107	1,070	1,223	1,234
Total for disposition	119	269	474	643	862	1,136	1,131	1,291	1,381
Dismissed after investigation	3	123	289	292	298	351	500	731	897
Docketed as applications for complaints	112	134	153	332	535	724	563	413	382
Total disposition during year	115	257	442	624	833	1,075	1,063	1,144	1,279
Pending end of year	4	12	32	19	29	61	68	147	102

	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	102	191	176	298	328	224	260	409	307
Instituted during year	1,568	1,612	1,483	1,265	1,331	1,469	1,505	1,380	1,659
Total for disposition	1,670	1,803	1,659	1,563	1,659	1,693	1,765	1,789	1,966
Dismissed after investigation	1,157	1,270	1,075	942	1,153	1,649	1,060	1,150	1,319
Docketed as applications for complaints	322	357	286	293	282	384	296	332	224
Total disposition during year	1,479	1,627	1,361	1,235	1,435	1,433	1,356	1,482	1,543
Pending end of year	191	176	298	328	224	260	409	307	423

CUMULATIVE SUMMARY TO JUNE 30, 1932

Inquiries instituted		29,206
Dismissed after investigation	13,659	
Docketed as applications for complaints	6,124	
Total disposition		19,783
Pending June 30, 1932		423

TABLE 2.--*Export trade investigations*

	1922	1923	1924	1925	1925	1927	1928	1929	1930	1931	1932
Pending beginning of year	53	35	79	43	10	16	29	42	40	27	17
Instituted during year	10	79	16	11	52	54	68	20	11	7	2
Total for disposition	63	114	95	54	62	70	97	62	51	34	19
Disposition during year	28	35	52	44	46	41	55	22	24	17	11
Pending end of year	35	79	43	10	16	29	42	40	27	17	8

CUMULATIVE SUMMARY TO JUNE 30, 1932

Investigations instituted	383
Total disposition	375
Pending June 30, 1933	8

TABLE 3.--*Applications for complaints*

	1915	1916	1917	1918	1919	1920	1921	1922	1923
Pending beginning of year	0	104	130	188	280	389	554	467	458
Applications docketed	112	134	153	332	535	724	426	382	416
Rescinded dismissals:									
Stipulated:									
Chief trial examiner	0	0	0	0	0	0	0	0	0
Special board	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	5	6
Rescinded “To complaints”	0	0	0	0	0	0	0	0	0
Total for disposition	112	238	283	520	815	1,113	980	854	880
To complaints	0	3	16	80	125	220	150	104	121
Dismissals:									
Stipulated:									
Chief trial examiner	0	0	0	0	0	0	0	0	0
Special board	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	8	105	79	160	301	339	357	292	187
Total disposition during year	8	108	95	240	426	559	513	396	308
Pending end of year	104	130	188	280	389	554	467	458	572

	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	572	565	488	420	457	530	843	753	754
Applications docketed	377	340	273	292	334	679	535	511	378
Rescinded dismissals:									
Stipulated:									
Chief trial examiner	1	1	1	0	2	2	3	5	3
Special board	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	1	3	2	0
Others	4	3	4	0	0	0	3	4	1
Rescinded “To complaints”	0	0	0	0	0	0	2	2	0
Total for disposition	954	909	786	712	793	1,212	1,389	1,277	1,136
To complaints	143	118	57	45	58	100	171	110	90
Dismissals:									
Stipulated:									
Chief trial examiner	3	5	102	80	68	118	244	160	123
Special board	0	0	0	0	0	0	31	43	209
Trade-practice acceptance	0	0	2	3	19	17	32	5	6
Others	243	298	185	127	118	134	158	205	268
Total disposition during year	389	421	346	255	263	369	636	523	696
Pending end of year	565	488	420	457	530	843	753	754	440

CUMULATIVE SUMMARY TO JUNE 30, 1932

Application, docketed	6,933
Rescinded dismissals:	
Stipulated-	
Chief trial examiner	18
Special board	0
Trade-practice acceptance	6
Others	30

Total rescinded dismissals	54	
Rescinded “To complaints”	4	
Total for disposition		6,991
To complaints	1,717	

CUMULATIVE SUMMARY TO JUNE 30, 1932--Continued

Dismissals:			
Stipulated-			
Chief trial examiner	903		
Special board	283		
Trade-practice acceptance	84		
Others	3,564		
Total] dismissals		4,834	
Total disposition			6,551
Pending June 30, 1932			440

TABLE 4.--*Complaints*

	1915	1916	1917	1918	1919	1920	1921	1922	1923
Pending beginning of year	0	0	5	10	86	133	287	312	257
Complaints docketed	0	5	9	154	135	308	177	111	144
Rescinded orders to cease and desist:									
Contest	0	0	0	0	0	0	0	0	0
Do	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	0	0	0
Rescinded dismissals:									
Stipulated	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	1	0	1
Total for disposition	0	5	14	164	221	441	465	423	402
Complaints rescinded	0	0	0	0	0	0	0	0	0
Orders to cease and desist:									
Contest	0	0	3	71	75	110	116	74	28
Do	0	0	0	0	0	0	0	17	54
Default	0	0	0	0	0	0	0	0	0
Dismissals:									
Stipulated	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	0	0	1	7	13	44	37	75	88
Total disposition during year	0	0	4	78	88	154	153	166	170
Pending end of year	0	5	10	86	133	287	312	257	232

	1924	1925	1928	1927	1928	1929	1930	1931	1932
Pending beginning of year	232	264	220	152	147	136	198	275	225
Complaints docketed	154	132	62	76	64	149	172	110	92
Rescinded orders to cease and desist:									
Contest	4	0	0	0	1	0	0	0	0
Do	1	0	0	0	0	0	0	0	1
Default	0	0	0	0	0	0	0	0	0
Rescinded dismissals:									
Stipulated	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	1	0	0	1	0	0	0	0	0
Total for disposition	392	396	282	229	212	285	370	385	318
Complaints rescinded	0	0	0	0	0	0	3	2	1
Orders to cease and desist:									
Contest	45	30	28	34	38	56	36	87	39
Do	47	43	16	18	8	7	11	14	18
Default	0	0	0	0	2	4	1	7	6
Dismissals:									
Stipulated	0	6	3	1	3	3	3	4	2
Trade-practice acceptance	0	0	0	5	5	1	0	1	0
Others	38	97	83	24	2 0	16	41	45	44

Total disposition during year	128	176	130	82	76	87	95	160	110
Pending end of year	264	220	152	147	136	198	275	225	208

CUMULATIVE SUMMARY TO JUNE 30, 1932

Complaints			2,054
Rescinded orders to cease and desist:			
Contest	5		
Consent	2		
Default	0		
Total rescinded orders to cease and desist			
Rescinded dismissals:			
Stipulated	0		
Trade-practice acceptance	0		
Others	4		
Total rescinded dismissals		4	
Total for disposition			2,065
Complaints rescinded		6	
Orders to cease and desist:			
Contest	870		
Consent	253		
Default	20		
Total orders to cease and desist	1,143		
Dismissals:			
Stipulated	25		
Trade-practice acceptance	12		
Others	671		
Total dismissals		708	
Total disposition			1,857
Pending June 30, 1932			208

COURT PROCEEDINGS--ORDERS TO CEASE AND DESIST

TABLE 5.--*Petitions for review--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	2	8	13	9	4	14	9	8	3	3	35	3	8
Appealed	4	9	18	5	5	15	6	5	4	4	34	1	10	22
Total for disposition	4	11	26	18	14	19	20	14	12	7	37	36	13	30
Decisions for Commission	1	0	1	4	5	1	6	5	4	3	1	4	3	1
Decisions for others	1	3	11	5	4	4	3	1	2	1	1	26	1	11
Petitions withdrawn	0	0	1	0	1	0	2	0	3	0	0	3	1	3
Total disposition during year	2	3	13	9	10	5	11	6	9	4	2	33	5	15
Pending end of year	2	8	13	9	4	14	9	8	3	3	35	3	8	15

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed			143
Decisions for commission		40	
Decisions against the commission		74	
Petitions withdrawn		14	
Total disposition			128
Pending June 30, 1932			15

The table lists 74 decisions against the commission in the circuit courts of appeals. However, the Grand Rapids furniture (veneer) group (with 25 different docket numbers) is in reality 1 case, with 25 different subdivisions. It was tried briefed, and argued as 1 case, and was so decided by the court of appeals. The same holds true of the curb group (with 12 different subdivisions), and the Royal Milling Co. group (with 6 different subdivisions. In reality, therefore, these 43 docket numbers mean but 3 cases: and if eases and not docket numbers are counted, the total of adverse decisions would be 34.

TABLE 6.--*Petitions for review--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	1	3	3	1	0	4	6	1	0	1	0	0
Appealed by Commission	0	2	2	4	5	0	5	2	1	0	0	1	1	0
Appealed by others	0	0	0	0	2	1	1	3	1	0	2	0	0	1
Total for disposition	0	2	3	7	10	2	6	9	8	1	2	2	1	1
Decisions for Commission	0	0	0	2	0	0	0	0	3	0	0	0	0	0
Decisions for others	0	1	0	0	5	1	0	0	2	0	0	1	1	0
Petitions withdrawn by Commission	0	0	0	0	1	0	0	0	0	0	0	1	0	0
Certiorari denied Commission	0	0	0	2	1	0	1	2	1	0	0	0	0	0
Certiorari denied others	0	0	0	0	2	1	1	1	1	1	1	0	0	1
Total disposition during year	0	1	0	4	9	2	2	3	7	1	1	2	1	1
Pending end of year	0	1	3	3	1	0	4	6	1	0	1	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed by commission	23	
Appealed by others	12	
Total appealed		35
Decisions for commission	5	
Decisions against commission	11	
Petitions withdrawn by commission	2	
Writ denied commission	7	
Writ denied others	10	
Total disposition		35
Pending June 30, 1932		0

TABLE 7.--*Petitions for enforcement--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	0	0	0	1	3	1	3	4	4	6	4	3
Appealed	0	0	0	0	1	2	1	3	2	2	9	4	3	0
Total for disposition	0	0	0	0	1	3	4	4	5	6	13	10	7	3
Decisions for Commission	0	0	0	0	0	0	2	0	0	0	5	4	4	0
Decisions against commission	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Petitions by commission denied	0	0	0	0	0	0	1	1	0	0	1	0	0	0
Petitions withdrawn	0	0	0	0	0	0	0	0	1	2	1	1	0	0
Total disposition during year	0	0	0	0	0	0	3	1	1	2	7	6	4	1
Pending end of year	0	0	0	0	1	3	1	3	4	4	6	4	3	2

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		27
Decisions for commission	15	
Decisions against commission	2	
Petitions by commission denied	3	
Petitions withdrawn	5	
Total disposition		25
Pending June 30, 1932		2

126056---32-----9

COURT PROCEEDINGS--ORDERS TO CEASE AND DESIST

TABLE 8.--*Petitions for enforcement--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	0	0	0	0	0	0	2	0	0	1	0	0
Appealed by Commission	0	0	0	0	0	0	0	1	0	0	1	0	0	0
Appealed by others	0	0	0	0	0	0	0	1	0	1	0	1	0	0
Total for disposition	0	0	0	0	0	0	0	2	2	1	1	2	0	0
Decisions for Commission	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Decisions for others	0	0	0	0	0	0	0	0	1	0	0	1	0	0
Certiorari denied others	0	0	0	0	0	0	0	0	0	1	0	1	0	0
Total disposition during year	0	0	0	0	0	0	0	0	2	1	0	2	0	0
Pending end of year	0	0	0	0	0	0	0	2	0	0	1	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		5
Decisions for commission	1	
Decisions against commission	2	
Petitions by others denied	2	
Total disposition		5
Pending June 30, 1932		0

TABLE 9.--*Petitions for Rehearing, Modification, etc.--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	1	0	1	0	0	2	1	1	0	0	0	0
Appealed	0	1	0	2	0	2	8	3	0	1	1	2	1	9
Total for disposition	0	1	1	2	1	2	8	5	1	2	1	2	1	9
Decisions for commission	0	0	0	1	0	0	1	0	0	0	1	0	1	4
Decisions against commission	0	0	0	0	0	0	1	0	0	1	0	0	0	2
Petitions by commission denied	0	0	1	0	0	2	1	2	0	1	0	1	0	1
Petitions by others denied	0	0	0	0	1	0	3	2	0	0	0	1	0	2
Total disposition during year	0	0	1	1	1	2	6	4	0	2	1	2	1	9
Pending end of year	0	1	0	1	0	0	2	1	1	0	0	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		30
Decisions for commission	8	
Decisions against commission	4	
Petitions by commission denied	9	
Petitions by others denied	9	
Total disposition		30
Pending June 30, 1932		0

TABLE 10.--*Petitions for Rehearing, Modification, etc.--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	192 5	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Appealed	0	0	0	1	0	0	0	1	4	0	0	1	1	0
Total for disposition	0	0	0	1	0	0	0	1	4	0	0	1	2	1
Decisions against commission	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Petitions by commission denied	0	0	0	0	0	0	0	0	2	0	0	0	0	0
Petitions by others denied	0	0	0	1	0	0	0	1	2	0	0	0	l	0
Total disposition during year	0	0	0	1	0	0	0	1	4	0	0	0	1	1
Pending end of year	0	0	0	0	0	0	0	0	0	0	0	1	1	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		8
Decisions against commission	1	
Petitions by commission denied	2	
Petitions by others denied	5	
Total disposition		8
Pending June 30, 1932		0

COURT PROCEEDINGS MISCELLANEOUS

TABLE 11.--*Interlocutory, Mandamus, etc.--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	1	4	5	6	4	4	4	4	5	3	2	1	1
Appealed by Commission	1	2	0	3	5	0	1	0	1	0	1	0	1	0
Appealed by others	1	2	2	3	0	0	0	1	1	2	1	2	0	2
Total for disposition	2	5	6	11	11	4	5	5	6	7	5	4	2	3
Decisions for Commission	1	0	1	3	0	0	0	0	1	1	3	1	1	1
Decisions against commission	0	1	0	1	7	0	0	0	0	1	0	1	0	0
Petitions withdrawn by Commission	0	0	0	0	0	0	1	1	0	2	0	0	0	0
Petitions withdrawn by others	0	0	0	1	0	0	0	0	0	0	0	1	0	0
Total disposition during year	1	1	1	5	7	0	1	1	1	4	3	3	1	1
Pending end of year	1	4	5	6	4	4	4	4	5	3	2	1	1	2

CUMULATIVE SUMMARY TO JUNE 30,1932

Appealed		32
Decisions for commission	13	
Decisions against commission	12	
Petitions withdrawn by commission	4	
Petitions withdrawn by others	2	
Total disposition		31
Pending June 30, 1932		1

TABLE 12.--*Interlocutory, Mandamus, etc.--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	0	0	0	6	4	1	1	0	0	0	0	0
Appealed	0	0	0	0	6	0	0	0	1	0	0	1	0	0
Total for disposition	0	0	0	0	6	6	4	1	2	0	0	1	0	0
Decisions for Commission	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Decisions against commission	0	0	0	0	0	2	3	0	0	0	0	0	0	0
Petitions by commission denied	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Petitions by others denied	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Total disposition during year	0	0	0	0	0	2	3	0	2	0	0	1	0	0
Pending end of year	0	0	0	0	6	4	1	1	0	0	0	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		8
Decisions for commission	1	
Decisions against commission	5	
Petitions by commission denied	1	
Petitions by others denied	1	
Total disposition		8
Pending June 30, 1932		0

TABLE 13.--*Interlocutory, mandamus, etc.--Rehearing, modification, etc.--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Appealed	0	0	0	0	0	0	0	0	0	2	0	0	0	0
Total for disposition	0	0	0	0	0	0	0	0	0	2	0	0	0	0
Decisions for commission	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Petitions by commission denied	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Total disposition during year	0	0	0	0	0	0	0	0	0	2	0	0	0	0
Pending end of year	0	0	0	0	0	0	0	0	0	0	0	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		2
Decisions for commission	1	
Petitions by commission denied	1	
Total disposition		2
Pending June 30, 1932		0

TABLE 14.--Interlocutory, mandamus, etc.--Rehearing, modification, etc.--Supreme Court of the United States

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
Pending beginning of year	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Appealed	0	0	0	0	0	2	0	0	0	0	0	1	0	0
Total for disposition	0	0	0	0	0	2	0	0	0	0	0	1	0	0
Petitions by commission denied	0	0	0	0	0	2	0	0	0	0	0	0	0	0
Petitions by others denied	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Total disposition during year	0	0	0	0	0	2	0	0	0	0	0	1	0	0
Pending end of year	0	0	0	0	0	0	0	0	0	0	0	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1932

Appealed		3
Petitions by commission denied	2	
Petitions by others denied	1	
Total disposition		3
Pending June 30,1932		0

PART VI. FOREIGN TRADE WORK

PART VI. FOREIGN TRADE WORK

Foreign trade work of the commission, handled by the export trade section, under direction of the chief counsel, includes administration of the export trade act (Webb-Pomerene law) and section 6 (h) of the Federal Trade Commission act.

PROVISIONS OF THE WEBB-POMERENE LAW

The Webb-Pomerene law of April 10, 1918, grants exemption from antitrust laws to export associations that file with the commission their organization papers, charters, agreements, annual reports, and such other information as the commission may require.

The law provides that such an association shall be organized for the sole purpose of engaging in export trade, and actually so engaged; that it shall not (1) restrain the trade of a domestic competitor, (2) artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by the association, (3) substantially lessen competition or otherwise restrain trade within the United States.

In case of violation of the law the commission may investigate and make recommendations for readjustment of the association's business, and if such recommendations are not complied with, the matter may be referred to the Attorney General for further action.

ASSOCIATIONS FILING PAPERS UNDER THE ACT

Export associations filing papers with the commission during the first six months of 1932 were as follows:

Alabama-Florida Pitch Pine Export Association, Blount Building, Pensacola, Fla.

American Hardwood Exporters (Inc.), Marine Building, New Orleans.

American Locomotive Sales Corporation, 30 Church Street, New York City.

American Paper Exports (Inc.), 75 West Street, New York City.

American Pitch Pine Export Co., Pere Marquette Building, New Orleans.

American Provisions Export Co., 140 West Van Buren Street, Chicago.

American Rice Export Corporation, Crowley, La.

American Soda Pulp Export Association, 280 Park Avenue, New York City.

American Soft Wheat Millers Export Corporation, 8261 K Street, Washington, D. C.

American Spring Manufacturers' Export Association, 30 Church Street, New York City,

American Textile Trading Co., 1410 G Street, Washington, D. C.

American Tire Manufacturers' Export Association, 80 Church Street, New York City.
American Webbing Manufacturers' Association, 20 West Thirty-seventh Street, New York City.
Associated Button Exporters of America (Inc.), 320 Broadway, New York City.
California Dried Fruit Export Association, 1 Drumm Street, San Francisco.
Carbon Black Export Association (Inc.), 60 East Forty-second Street, New York City.
Cement Export Co., The, Pennsylvania Building, Philadelphia.
Copper Export Association (Inc.), 25 Broadway, New York City.
Copper Exporters (Inc.), 25 Broadway, New York City.
Douglas Fir Exploitation & Export Co., Henry Building, Seattle.
Durex Abrasives Corporation, 82 Beaver Street, New York City.
Electrical Apparatus Export Association, 31 Nassau Street, New York City.
Export Petroleum Association (Inc.), 67 Wall Street, New York City.
Export Screw Association of the United States, 101 Park Avenue, New York City.
Florida Hard Rock Phosphate Export Association, Savannah Bank & Trust Savannah, Ga.
Building, tion (Inc.),
Florida Pebble Phosphate Export Association, 393 Seventh Avenue, New York City.
General Milk Co. (Inc.), 19 Rector Street, New York City.
Goodyear Tire & Rubber Export Co., 1144 East Market Street, Akron, Ohio.
Grapefruit Distributors (Inc.), Davenport, Fla.
Gulf Pitch Pine Export Association, Whitney Bank Building, New Orleans.
Hawkeye Pearl Button Export Co., 601 East Second Street, Muscatine, Iowa.
Metal Lath Export Association, The, 60 East Forty-second Street, New York City.
Northwest Dried Fruit Export Association, Title & Trust Building, Portland, Oreg.
Pacific Flour Export Co., care of Fisher Flouring Mills Co., Seattle.
Phosphate Export Association, 393 Seventh Avenue, New York City.
Pipe Fittings & Valve Export Association, Branford, Conn.
Producers Linter Export Co., 822 Perdido Street, New Orleans.
Redwood Export Co., 405 Montgomery Street, San Francisco.
Rubber Export Association, The, 19 Goodyear Avenue, Akron, 01110.
Signal Export Association, 74 Trinity Place, New York City.
Standard Oil Export Corporation, 26 Broadway, New York City.
Steel Export Association of America, The, 75 West Street, New York City.
Sugar Export Corporation, 120 Wall Street, New York City.
Sulphur Export Corporation, 420 Lexington Avenue, New York City.
Textile Export Association of the United States, 320 Broadway, New York City.

United States Alkali Export Assoc-a-
11 Broadway, New York
City.

United States Handle Export Association (Inc.), Piqua, Ohio.
Walnut Export Sales Co. (Inc.), Twelfth Street and Kaw River, Kansas City, Kans.
Walworth International Co., 19 Rector Street, New York City.
Western Plywood Export Co., 1549 Dock Street, Tacoma, Wash.
Zinc Export Association, 60 East Forty-second Street, New York City.

The Signal Export Association of New York City was formed during the current year

by the Union Switch & Signal Co. and the General Railway Signal Co.

WEBB LAW EXPORTS TOTAL $311,000,000 IN 1931

The total value of products exported under the Webb law during 1931 was substantially less than that in 1930. This decrease in value was due largely to lower prices and the fact that some of the associations found it necessary to suspend their price agreements and permit members to sell at independent export prices, the independent sales not being included in the Webb law totals. Exports during the past three years were:

Webb Law exports by commodities are shown

Item	1929	1930	1931
Metals and metal products, including copper, iron, and steel, metal lath zinc, machinery, railway equipment, pipes, valves and screws, electrical apparatus,[1] and signal apparatus 1	$271,000,000	$200,000,000	$109,000,000
Products of mines and wells, crude sulphur, phosphate rock, petroleum products, and carbon black	270,000,000	315,000,090	73,000,000
Lumber and wood products, pine, redwood, walnut, hardwood, naval stores,[1] plywood, doors,[1] and wooden tool handles	26,000,000	22,500,000	35,400,000
Foodstuffs such as milk meat sugar, flour rice, sardines, salmon,[1] fresh fruit,1 dried fruit, and canned fruit 1	67,109,000	40,500,000	32,500,000
Other manufactured products such as rubber, paper, abrasives, cotton goods and linters, buttons, and chemicals	90,000,000	75,000,000	70,100,000
	724,109,000	661,000,000	311,090,000

1 Doors and salmon in 1929 only; naval stores and fresh fruit, in 1929 and 1930 only; metal lath and carbon black, in 1930 and 1931 only; electrical apparatus, signal apparatus, and canned fruit, in 1931 only.

Prices were much lower during the last year, and some Webb law members report they can not sell at the low prices now prevailing in foreign markets; others are selling only on a quality basis. It is said that foreign competitors, in some cases supported by Government credit insurance, have been able to make more drastic cuts in export prices than Americans.

Increased tariffs, the revival of license restrictions and import quotas, the suspension of the gold basis of currencies and measures for the control of foreign exchange, in a number of countries, have materially lessened foreign sales. The exchange situation has been serious, and banks and boards administering the new control measures have broad powers to exclude goods which for one reason or another may be deemed "unnecessary" the countries of import.

There has been an increasing demand for longer credit terms, and a generally unsettled credit situation due to the large number of business failures and to political disturbances, especially in Latin American countries.

WEBB LAW ASSOCIATIONS REVIEW YEAR'S WORK

Trade conditions abroad as seen by American exporters in the light of their experiences in the last year, are reviewed in excerpts from reports of Webb law associations.

An association which has been in operation since 1919 states that--

Compared to the previous 12 years, our total value of sales for 1931 was only 53 per cent of the average year. Compared to 1930, value was about 76 per cent while volume was about 90 per cent, indicating lower prices received in 1931.

The outstanding advantages obtained in operation as an export association were: Greater prestige in the foreign markets, ability to fill orders for export where the range in materials required is difficult for the individual operator, centralization of sales effort, and lower costs of export operations.

The most serious obstacles were financial conditions in the foreign markets, particularly in the United Kingdom, which takes the greater part of our product, and foreign import duties, particularly in Italy and now also true for the United Kingdom. Another factor which has greatly affected our exports is the unsettled condition of the trade due to Russian exports.

One of the new associations reports that--

In 1931 we gained tonnage but suffered a further reduction in the price level, thus preventing complete demoralization and ruinous competition. By acting in concert members were able to establish safeguards in connection with trade in such countries where foreign currencies became unstable and exchange transactions were extremely difficult.

An association exporting metal products reports--

Sales have continued to decrease since 1929. This is due to the general adverse conditions which exist in practically all foreign countries. With conditions in the export markets as they are now and with European manufacturers quoting prices which appear to be below the cost of materials and transportation, we have found it practically impossible to compete on a price basis, and, generally speaking, the business that we have obtained has been on a quality basis rather than price during the past year.

The advantages in operating as an association have been: Economy resulting from elimination of competition through working as a single unit, with reduced sales costs; standardization as to quality and sh op practice; uniformity in packing and stamping methods and in the handling of shipping documents, etc.; centralization of inquiries and orders, the former enabling more effective dealing with foreign competition and the latter providing better service to the customer.

We have encountered no objections to the handling of our export business as an association; there have been serious obstacles, however, that have retarded business, such as the unsound financial position of prospective customers and in many cases their inability to offer satisfactory agreements for payments. Also, the difference in the rate of exchange and the fact that many foreign governments have put through laws making it difficult or impossible to convert payments received in foreign currencies into dollars for transmission to this country. These are the only obstacles which stand in the way of a larger participation by the members of this association in foreign business.

A small association shipping metal products states:

Sales during 1931 were about 82 per cent below the corresponding figures for 1930. Foreign business in any volume would be impossible without operating as an association. Cooperation between the member companies enables the expense of marketing to be distributed among all of the companies, and

any information of commercial value obtained by one is available to all. A more uniform quality of material is produced by this system of cooperative selling than would be the case if the companies were acting independently. Shipping papers and details of procedure in handling foreign orders are centralized and uniformly handled. All foreign inquiries and orders are centralized.

The principal obstacles encountered during the year were competition from foreign manufacturers, slow payment on the part of a large percentage of our foreign customers, depreciation in exchange in cases where tenders must be submitted in local currency, also the foreign exchange limitations which are now in force in so many foreign countries.

An exporter of raw materials reports:

Due to the continuation through 1931 of the world-wide depression, our export business in 1931 fell off as compared with 1930 24 per cent in volume and close to 25 per cent in value.

The outstanding advantages obtained by operation as an association were, as previously reported to you: We can better meet foreign competition in the export field. Centralized buying can best be met with centralized selling. Better opportunities are afforded to stabilize prices and standardize grades, contract terms and conditions. Selling costs are reduced.

An association exporting a finished manufactured product reports:

There was a great falling off in our export trade compared with the prior two years, particularly after the European producers of our products abandoned the gold standard. The principal obstacles to our exports at present are the low values fixed on their exports by our competitors owing to the drop of about 25 per cent since Scandinavia, Finland, find England abandoned the gold standard Another drawback in these times of very strained financial conditions and difficulties of collection of our accounts is that we are hampered in competition with European countries by the fact that the Europeans have 66 per cent of their exports guaranteed by the respective Governments, whereas all our exports are done entirely at our own risk for the full amount of the invoices. This does not mean that we would advocate Government guarantees for our exports, but is mentioned to show how the competition is enabled to venture where we can not.

An association exporting lumber reports:

Very decided falling off in trade noticeable during the year as compared with previous years. But despite depression we believe the advantages of organization are many, enabling all of the mills in our association to obtain a fair share of the business being offered, with a better maintenance of price levels.

Another lumber association:

The quantity shipped during 1931 represents approximately 22½ per cent decrease from 1930. Our loss in volume was due entirely to competitive conditions find the desire of our members to maintain prices commensurate with their costs, which policy resulted in considerable loss of business from time to time. Advantages included: Better service to buyers, lower selling cost at the individual mills, and the opportunity to distribute specifications to Individual member mills which best fit their operation.

An association exporting food products states that--

While the tonnage exported by members of this association showed an increase over the tonnage shipped in 1930 the per ton value of same showed a decrease. This is accounted for by the fact that prices declined throughout the year. Unfavorable economic conditions prevailing in 1930, which were greatly aggravated during 1931, together with stringent financial conditions prevailing in several foreign countries, had a decidedly unfavorable effect on export business. Large available stocks throughout the year, together with declining prices, turned the situation Into a buyer's market. This condition was still prevalent at the close of the year. The ability of this association to maintain uniform terms has shown itself to be the outstanding advantage enjoyed by its members. The greatest obstacle encountered by the members during the year was the inability of many buyers to obtain foreign exchange.

Another exporter of food products, shipping largely to Europe, reports:

Export business during the year 1931 showed a decrease of approximately * * * tons (10 per cent) from the business done in 1930. The outstanding advantages obtained by operation as an association are: Uniform sales terms, uniform quality of shipments, members' credit protection by demanding payment of their drafts on foreign buyers. The serious obstacles encountered during the year were: The economic condition of European countries, England going off the gold standard, the placing of embargoes on American goods by foreign countries, and the placing of high tariffs on American goods.

An association exporting a specialized product reports:

A slight increase in our volume, due possibly to the fact that we lowered prices to meet competition Tire advantages of operating as an association fire.: Elimination of separate export departments by members, standardization of grades, and more prompt deliveries by applying surplus stocks on orders received.

An association shipping only to South America reports:

Continued fall of volume of sales and prices due to general world conditions, particularly financial, and to some extent the dumping of Russian products into the South American countries. Advantages have included the elimination of internal competition and lower selling and distributing costs.

Another association which is developing exportation to Latin American countries reports:

A decrease in 1981 of about 60 per cent, which is attributed to the worldwide economic depression, resulting in a decrease in the use of our products and an abnormal fluctuation in the exchange rates in practically every country to which we export.

The outstanding advantages obtained by operation as an association are, chiefly: The association provides an organization through which we are better able to meet foreign competition in foreign markets, and a means whereby minimum prices may be maintained consistent with competition on kindred commodities from foreign countries. It provides a means through which the members can and do obtain information concerning foreign market conditions. There has been greater willingness and interest on the part of dealers in foreign

markets in handling our products because of the certainty of prices.

Other reports received from Webb law groups present much the same story.

INFORMAL FOREIGN TRADE COMPLAINTS UNDER SECTION 6 (h)

Inquiries made under section 6 (h) of the Federal Trade Commission act included 19 foreign trade complaints handled by this office during the fiscal year ending June 30, 1932.

These cases involve practices of American exporters and importers (not Webb law associations) in their trade with foreign countries. They are usually reported in the first instance by the foreign complainant to the American consul abroad. If it is found that inquiry in the States is necessary, the matter may be reported to the Federal Trade Commission and facts obtained to substantiate or refute the allegations of the complainant. These facts, with inspection reports of the consul, frequently lead to an amicable adjustment by the parties, either in the form of settlement or arbitration proceedings. The commission's inquiries are made without publicity.

Consuls report that this work has done much toward establishing good will for American products abroad, especially in out-of-the-way markets where American exporters have not a firmly established trade and a complaint against an American trader reflects unfavorably against all Americans trading in the community.

TRUST LAWS AND UNFAIR COMPETITION IN FOREIGN COUNTRIES

Under section 6 (h) of the Federal Trade Commission act the following may be noted as to recent measures in foreign countries and in international trade, along the lines of trust legislation and unfair competition:

GERMAN UNFAIR TRADE PRACTICE LAW AND THE DEFLATION PROGRAM OF THE GERMAN GOVERNMENT

An emergency decree issued March 9, 1932, amends the German unfair trade practice law of 1909, for the purpose of regulating certain forms of competition which are "not compatible with sound business practice" or which threaten the stability of the "middle class retail stores " in the towns of smaller or medium size. under the new decree the giving of premiums is forbidden; clearance sales may be held only in conformity with certain limiting rules; and unit-price stores may not be established in towns of less than 100,000 population. Penalties for the betrayal of business secrets are increased, and especially severe punishment is provided in cases where the secret is to be utilized abroad.

The German program of price and wage deflation was continued by a number of decrees during the last year. One in December, 1931,

required that wages and salaries be reduced to the level of January 10, 1927, necessitating cuts from 10 to 15 per cent. As from January 1, 1932, salaries and pensions of civil servants were reduced by 10 per cent. Social insurance benefits were also to be reduced. It was said that the Government intended to effect reduction in prices, rents, and interest on capital, in order to maintain the purchasing power of wage and salary earners. Prices fixed by cartels, freights, charges for water, gas, and electricity were to be reduced by 10 per cent as compared with the level of July 1, 1931. No increases in prices were to be allowed before July 1, 1932. The ministry of industry is given broad power to dictate further reductions, and provision has been made for appointment of a price commissioner to supervise the reductions, with power to close businesses that do not comply with the orders.

MEXICAN MONOPOLY ACT OF 1931

The Mexican monopoly act of August 24, 1931, prohibits the establishment of private or governmental monopolies or any act which injures the public by preventing free competition in production, industry, commerce, or services. Exceptions include the State's operation of radio, telegraph, banks of issue, coinage of money, the postal service, and patent and copyright privileges. Remission of taxes by the State or Federal Government to private interests is prohibited.

Certain acts are cited as tending to create monopoly, including: (1) Combination or agreement to charge exaggerated prices, (2) a regular or permanent practice of selling goods or rendering service at less than cost, (3) the use of coupons or other devices at less than cost, (4) discrimination in price as between purchasers in different localities unless justified by costs of production or transportation or other marketing circumstances, and (5) exclusive sales injurious to the public. The law specifically prohibits concentration or control in the marketing of articles of "prime necessity" for the purpose or with the effect of increasing prices, and provides that such articles may be imported free or their exportation may be prohibited when necessary. In case of shortage the Government may force the sale of such articles at fixed prices.

The Federal Government may authorize the combination of producers or merchants for developing production, preventing ruinous or unfair competition, eliminating middlemen to lower prices, obtaining better distribution, exporting surplus production, or obtaining technical improvement to benefit national production. But such combines may not unduly raise price, and they must agree to permit the Government to fix their prices and direct their activities.

THE CANADIAN TARIFF BOARD ACT, 1931, AND LITIGATION UNDER THE CANADIAN COMBINES INVESTIGATION ACT

Under the Canadian Tariff Board act of 1931, the board may inquire into such factors as the price and cost of raw materials, the cost of transportation, the cost of production, the cost, efficiency, and conditions of labor, and the prices received by producers in Canada and elsewhere; and into all conditions and factors affecting cost of production and price to the consumers in Canada, as compared with other countries.

Under the combines investigation act and section 498 of the Criminal Code a decision was rendered by the Ontario Supreme Court, January 12, 1932, the King v. Harry Alexander (Ltd.), and others. Seven corporations and 15 individuals associated with the Electrical Estimators' Association, a combine of electrical contractors in Toronto, were found guilty of a conspiracy or agreement to enhance prices and prevent or lessen competition unduly or unreasonably. Fines totaling $26,200 were imposed.

In a judgment delivered in the Assize Court at Toronto, March 7, 1932, the King V. Famous Players Canadian Corporation, and others, all parties charged as members of an alleged combine in the motion-picture industry were acquitted and found not guilty of violation of the combines investigation act and section 498 of the Criminal Code.

PERSIAN UNFAIR COMPETITION ACT, 1931

Articles 244 and 249 of the Persian Penal Code were repealed August 7,1,931, and new articles substituted therefor, whereby unfair competition is forbidden and penalties are prescribed. Article 244 defines unfair competition to include misrepresentation in the sale of goods, and disparagement of the goods of another through intrigue or false accusations or other fraudulent means. Article 249 prohibits infringement of the rights of an owner of a patent; the use, imitation, or forging of another's trade-mark; the importation exportations, sale, or offering for sale within Persia of goods bearing a forged or imitated mark; and the sale or offering for sale of goods without the use of a mark which, on such a product, is compulsory.

PAIR MARKING OF SILK AND IMITATION PRODUCTS

Meetings of international silk interests were held in Paris and Milan in 1931, and it was agreed that the "Butterfly " trade-mark be placed on all pure silk material, effective March 1, 1932, for the purposes of protecting the public from imitations and stimulating the silk market. The mark will be placed on the goods by the

126056---32-----10

printers and dyers after the material has been guaranteed by the manufacturers.

In response to complaints of the National Silk Corporation of Italy, that rayon products have been largely sold as silk, the ministry of Corporations of that country has drawn up a set of regulations under which the word "seta" (silk) may be applied only to yarn, tissue, or fabricated articles which are in fact of silk of animal origin; products in which silk is mixed with other contents must be so marked; and loaded or weighted silk must be marked to indicate the degree of loading.

BRITISH GIFT COUPON BILL, 1932

In response to widespread protests against the issuance of gift coupons, as an unfair trade practice, a bill was introduced in the House of Commons in February, 1932, which would make unlawful the issuance and redemption of gift coupons, which are specifically defined as--

> Any coupon, stamp, token, cover, package, document, or other thing issued by any person upon or in connection with the sale of goods which, either by Itself or in connection with other coupon or coupons, or any other act or thing, entitles or purports to entitle the holder thereof to receive in respect of the purchase of such goods any gift, allowance, concession, consideration, benefit, or advantage of any kind whatsoever other than an unconditional payment in money or insurance benefits.

ARGENTINE ANTIDUMPING DECREE, 1931

An Argentine decree of August 8, 1931, provides for the application of duties on goods imported from a foreign country (1) if the country of origin concedes subsidies, special rewards, or other advantages for the exported products; (2) if special rewards, exemptions, or other advantages are accorded for transportation of foreign products or to persons engaged in shipping; and (3) when foreign competitors are favored by legislation, rates of exchange, low wages, forced labor, or other forms of "dumping" harmful to Argentine production.

FOREIGN EXCHANGE CONTROL, IMPORT QUOTAS, AND RESTRICTIONS

Emergency measures for the control of foreign exchange, the establishment of import quotas, and other restrictions upon international trade have been adopted in many countries during the last year. Banks and boards charged with the administration of these measures have broad powers to control the terms of payment and to exclude goods that may be deemed "unnecessary" or "luxury products."

Some of these newly adopted measures are briefly noted as follows:

Argentina: Exchange control commission established in October, 1931.

Australia: An exchange pool is in operation.

Austria: Foreign exchange under control of Austrian National Bank. Permits limited to purchases of prime necessities, special clearing agreements with neighboring countries.

Bolivia: Exchange restrictions since October, 1931. Preference to essentials and merchandise necessary for economic development of the country.

Brazil: Official rate of exchange fixed by Bank of Brazil.

Bulgaria: Foreign exchange in control of national bank. Only the bank can export Bulgarian currency, securities, or gold. Exchange not granted for importation of "luxuries."

Chile: An exchange control committee passes upon all applications for foreign exchange.

Colombia: Has an exchange control committee. Rates fixed by the national bank.

Costa Rica: Board of Control of Exchange and Exportation of Products, effective since January, 1932.

Czechoslovakia: Special Government commission appointed in January, 1932, to issue permits. All exchange holdings must be reported and surrendered to the national bank.

Denmark: Reports on foreign purchases must be made to and approved by national bank. Priority given to raw materials and articles necessary for agricultural Industry and export trade.

Ecuador: Restrictions adopted in April, 1932, under control of central bank.

Estonia: Foreign exchange sold only for purchase of materials necessary to the maintenance of national economic enterprises. Wide range of goods held to he "nonessential."

France: Quota system restricts imports on basis of average shipments during period of years preceding. Licenses issued.

Germany: Exchange under control of Reichsbank. Emergency decree in January, 1932, authorizes duties on a sliding scale on Imports from countries where currencies have depreciated.

Greece: Exchange under control of Bank of Greece. Permits issued only for absolute necessities.

Hungary: Exchange under control of national bank. Preference given to imports of raw materials and necessities not available in Hungary, and semi-manufactured goods useful to Hungarian industry.

Italy: Control vested in Minister of Finance. Not enforced.

Japan: Under 1932 act it is illegal, without permission of the Finance Minister, to remit money abroad; to buy foreign currency or foreign exchange for'
purpose of transferring capital to a foreign country; to buy or import foreign currency securities; to place funds in deposit, transact business, and grant or obtain credit in foreign currency within the Japanese Empire.

Latvia: Exchange allocated by Bank of Latvia according to essential or nonessential character of imports, with quotas announced on certain products on basis of 1930 imports.

Netherlands: Authorized imposition of Import quotas whenever necessary to keep imports within normal bounds.

New Zealand: All exchange pooled. Rates under Government control. All exports under Government license.

Nicaragua: Exchange control committee has power to prohibit or restrict exchange dealings and the exportation of gold.

Norway: Some attempt to control exchange through the banks.

Paraguay: Exchange control committee appointed in June, 1932.

Persia: Exchange control commission appointed in 1930 now superseded by the Government monopoly of foreign trade operating through a system of permits for both exports and imports.

Poland: Continued allocation of Import quotas with added restrictions on agricultural and manufactured goods.

Portugal: Exchange under control of Bank of Portugal.

Rumania: Exchange restrictions adopted in May, 1932. All export operations in hands of national bank or authorized banks.

Spain: Exchange control under the Official Bureau for Exchange of Money. Import quotas distributed "according to the necessity of Spanish economy."

Sweden: Riksbank has arrangement with private banks to limit importation to "essentials."

Turkey: Exchange limited. Quotas announced on some products.

United Kingdom: Abnormal importations act, a temporary measure passed in November, 1931, to regulate the flow of imports by imposition of dumping duties, authorized up to 100 per cent, on goods held by the Board of Trade to be imported in abnormally large quantities.

Uruguay: Exchange controlled by the Bank of the Republic.

Yugoslavia: Exchange under control of the national bank.

GOVERNMENT T CONTROL OF GRAIN, SUGAR, AND OTHER FOODSTUFFS

The British profiteering act, or act to prevent the exploitation of foodstuffs, 1931, is an emergency measure under which the Board of Trade is given wide powers to remedy or prevent shortage or unreasonable increase in the price of foodstuffs.

The sugar monopoly act of Latvia, passed January 4, 1932, established a Government monopoly in the manufacture, importation, and wholesale trade in sugar. A similar sugar monopoly act was passed during the year in Egypt. A bill introduced in the Danish Rigsdag in February, 1932, would also provide for a Government sugar monopoly.

The Latvian Government monopoly of grain was established by a decree, April 9, 1932, replacing acts of 1930 and 1931 under which importation has been restricted and the Government has purchased large quantities of home-grown grain for sale at prices in excess of world-market prices, a plan adopted for relief of the domestic growers. The 1932 act includes also power to regulate proportions of cereals used in milling and baking, to establish prices for bread, and to supervise the operation of mills, bakeries, and stores dealing in flour, bread, and other cereal products.

The Yugoslavian wheat monopoly act of September 5, 1931, provides for the formation of an association of commercial mills which will cooperate with the Privileged Export Co., established for state control of the import and export trade of grain and flour under the decree of July 5, 1931.

In Bulgaria, a Government bureau for the purchasing and exporting of cereals was operative from February to September, 1931,

with authority to sell in both domestic and foreign markets and to fix prices in the domestic market higher than export prices. There is a bill now before the Bulgarian Parliament which would create a Government wheat monopoly in that country.

The Rumanian agricultural marketing act of July 23, 1931, provides for export premiums on wheat and flour,. the funds to be raised through an internal tax on bread.

The British wheat quota bill, which has received much attention in the last few months, is said to be for providing wheat growers in the United Kingdom with a secure market and an enhanced price for home-grown wheat without a subsidy from the exchequer and without encouraging the extension of wheat cultivation to land unsuitable for the crop. The bill would provide for a wheat commission empowered to establish a guaranteed average price and to reserve a percentage (70 per cent now proposed) of the British market for wheat grown in the Empire. The result would be a substantial decrease in importation from countries outside of the Empire.

The South African mealie control act of 1931 established an "export-quota percentage." Each corn trade must hold available for export a certain percentage of each month's supply.

The maize control act of Southern Rhodesia, 1931, establishes a complete monopoly of the trade in corn and corn meal for three years. Prices will be fixed for the domestic market, but corn will be sold for export at whatever it will bring. The Corn Control Board will negotiate all sales and will determine how much shall be exported. At the end of each exporting season settlement will be made with the growers.

A Canadian law passed August 3, 1931, provided for a bounty of 5 cents a bushel on every bushel of wheat grown in Alberta, Saskatchewan, and Manitoba during 1931.

The Cuban yuca flour law, effective July 2, 1932, provides that all forms of bread, crackers, or bread products manufactured in Cuba must contain from 10 to 40 per cent of pure yuca flour. Its purpose is to stimulate the cultivation and use of yuca in order to effect a saving in the imports of wheat flour.

In Brazil the bumper coffee crop in 1931-32 led to restriction of output, the purchasing of all stocks in Sao Paulo on July 1, 1931, and a tax on exports. Proceeds were used for the purchase and destruction of surplus supplies in an effort to keep the price at level.

INTERNATIONAL INDUSTRIAL AGREEMENTS NEGOTIATED IN 1931-32

A world accord on the sale of platinum was announced in London in October, 1931, affected by organization of Consolidated Platinum (Ltd.), which is said to have contracted to market virtually all of the new platinum production of Soviet Russia, Canada, South

Africa, and Colombia, the major part of the world's production of that metal.

The international zinc cartel was revived for a period of five years at a meeting in Brussels in July, 1931. The new agreement provides for production quotas and a drastic cut in output for producers in Belgium, France, Germany, Poland, England, Norway, Czechoslovakia, Italy, Australia, Canada, Mexico, and Spain.

The international aluminum cartel was reorganized in October 1931, under the name of the Alliance Aluminum Compagnie A. G. of Basel, Switzerland. It now includes the Canadian industry as well as that of Switzerland, Germany, France, and Great Britain. Small producers in Austria and Norway and subsidiaries of German and Swiss controlling companies in Italy, Austria, and Spain are also associated.

A marketing agreement among producers of viscose rayon in Ger. many, Italy, Holland, and Switzerland was effected in 1931, and more recent reports are to the effect that French and Belgian producers may join the group.

Meetings of European and British dye interests in November, 1931,. and February, 1932, resulted in agreement by the British industry to join the continental dye cartel already effective between German. French, and Swiss producers. The purpose of the new pact is said to be to control prices and divide the world's markets among the producers represented.

Producers of pencils in Germany and Czechoslovakia entered into an international agreement in January, 1932. It is said that marketing quotas will be established and scientific and technical research pooled.

A German-Belgian agreement on coal was signed in August, 1931, for a 4-month period, whereby imports of coal into Belgium should be reduced by about one-half and the Belgian output should be curtailed. Coal-mine owners from seven European countries held a. conference in London in the fall of 1931, but failed to reach an agreement. The coal industry was the subject of a special study and report by the economic committee of the League of Nations early in 1932, in which rationalization of the industry and negotiation of an international commercial agreement for the marketing of coal were recommended.

The economic committee of the League of Nations issued a general. report on the Economic Aspects of International Industrial Agreements (Official No. E 736) in October, 1931, in which the effects of some of these agreements upon the industries, upon consumers, upon labor were discussed.

PART VII. DOCUMENTS AND SUMMARIES

FISCAL AFFAIRS

SHERMAN ANTITRUST ACT

FEDERAL TRADE COMMISSION ACT

SECTIONS OF CLAYTON ACT

EXPORT TRADE ACT

PROCEDURE AND POLICY

RULES OF PRACTICE

PROCEEDINGS DISPOSED OF

COMPLAINTS PENDING

STIPULATIONS

TRADE PRACTICE CONFERENCES

RESOLUTIONS DIRECTING INQUIRIES

INVESTIGATIONS, 1913-1932

PUBLICATIONS, 1915-1932

INDEX

FISCAL AFFAIRS

APPROPRIATIONS AND EXPENDITURES

Appropriations available to the commission for the fiscal year 1932, under the executive and independent office act approved February 23, 1931, $1,758,097.19; under the independent office act approved June 30, 1932, $60,000; under the first deficiency act approved February 2, 1932, $20,000; in all, $1,838,097.19. This sum was made up of three separate items: (1) $50,000 for salaries of the commissioners; (2) $1,758,097.19 for general work of the commission; and (3) $30,000 for printing and binding.

Expenditures and liabilities for the year amounted to $1,779,-484.60, which leaves a balance of $58,612.59, of which the sum of $20,218.32 is available for expenditures during the fiscal year 1933.

Appropriations, expenditures, liabilities, and balances

	Amount available	Amount expended	Liabilities	Expenditures and liabilities	Balances
Federal Trade Commission, 1932:					
Salaries, commissioners	$50,000.00	$50,000.00		$50,000.00	
Printing and binding	30,000.00	11,473.33	$18,526.67	30,000.00	
All other authorized expenses	1,758,097.19	1,658,314.11	31,170.49	1,899,434.60	$58,612.59
Total, fiscal year 1932	1,338,007.19	1,729,737.44	49,697.16	1,779,434.60	58,612.59
Unexpended balances:					
1931	39,653.44	38,608.27			1,045.17
1930-1931	1,155.46	242.32			913.14
1930	222.70	16.66			239.36
Total	1,879,128.79	1,768,62137			80,810.28

NOTE.--$20,218.32 of the balance for fiscal year 193218 available for expenditure in the fiscal year 1933.

Appropriations available to the commission since its organization, and expenditures for the same period, together with the unexpended balances, are shown in the following table:

Year	Appropriations	Expenditures	Balance	Year	Appropriations	Expenditures	Balance
1915	$184,016.23	$90,442.05	$93,574.18	1924	$1,010,000.00	$977,018.28	$32,981.72
1916	430,964.08	379,927.41	51,036.67	1925	1,010,000.00	1,008,998.80	1,001.20
1917	567,025.92	472,501.20	94,524.72	1926	1,008,000.00	996,745.58	11,254.42
1918	1,608,865.92	1,462,187.32	156,678.60	1927	997,000.00	960,654.71	36,345.29
1919	1,753, 530.75	1,522,331.95	231,198.50	1928	984,350.00	972,966.64	11,383.96
1920	1,305,708.82	1,120,301.32	186,407.80	1929	1,163,192.62	1,169,459.76	3,732.77
1921	1,032,005.67	938,659.69	93,345.98	1930	1,495,821.69	1,494,619.69	1,202.00
1922	1,026,150.54	956,116.50	70,034.04	1931	1,863,348.42	1,861,971.72	1,376.70
1923	974,480.32	970, 119.66	4,360.66	1932	1,838,097.19	1,779,484.60	58,612.59

Detailed statement of costs for the fiscal year ending June 30, 1982

	Salary	Travel expense	Other	Total
Commissioners	$50,000.00	$32.79		$50,032.79
Clerks to commissioners	17,400.00			17,400.00
Messengers to commissioners	6,600.00			6,600.00
Total	74,000.00	32.79		74,032.79
Administration:				
Office of Secretary	28,291.37			28,291.37
Accounts and personnel section	16,828.12			16,828.12
Disbursing once section	9,945.45			9,945.45
Docket section	27,859.59			27,659.59
Editorial service	5,180.00			5,180.00
Hospital	1,715.14			1,715.14
Library section	11,431.02			11,431.02
Mails and files section	17,276.64			17,276.04
Publications section	26,894.81			26,894.81
Purchases and supplies section	9,500.60			9,500.60
Stenographic section	42,576.84			42,576.84
Labor	5,196.33			5,198.33
Messenger service	12,525.07			12,525.07
Supplies			$19,099.99	19,099.99
Communications			5,629.41	5,629.41
Transportation things			432.46	432.16
Rents			16,484.56	16,484.56
Heat and light			98.73	98.73
Repairs			993.09	993.09
Miscellaneous			317.91	317.91
Equipment			14,584.65	14,584.05
Witness fees			2,158.00	2,158.00
Reporting service			26,048.03	26,048.03
Total	214,820.98		85,846.23	300,607.21
Legal:				
Preliminary inquiries	62,335.99	8,463.33	108.64	70,907.96
Applications for complaints	152,371.44	10,942.90	1,237.79	164,552.13
Complaints	162,166.42	24,594.51	333.67	187,094.60
Export trade	7,687.29	128.55		7,815.84
Trade-practice conferences	36,999.64	843.37		37,843.01
Total	421,560.78	44,972.66	1,680.10	468,213.54
General investigations:				
Bread inquiry	1,531.03			1,531.03
Building materials	21,628.96	4,428.24	50.10	28,107.30
Cement	30,742.10	9,835.80	18.20	40,598.10
Chain stores	302,934.72	11,474.99		314,409.71
Cottonseed	38,514.44	10,338.91	74.91	48,928.26
Du Pont investments	17.05			17.05
Peanuts	13,485.33	284.10		13,769.43
Price bases	38,608,17	336.91		38,945.08
Power and gas	315,847.11	84,709.61	1,017.90	401,574.62
Resale price maintenance	1,030.43			1,030.43
Total	764,339.34	121,408.56	1,161.11	886,909.01
Printing and binding	33,998.77			33,998.77
Summary:				
Commissioners	74,000.00	32.79		74,032.79
Administration	214,820.98		85,846.23	300,667.21
Legal	421,560.78	44,972.66	1,680.10	468,213.54
General investigations	764,339.34	121,408.56	1,161.11	886,969.01
Printing and Binding	33,998.77			33,998.77
Totals	1,474,721.10	166,414.01	122,686.21	1,763,821.32

RECAPITULATION OF COSTS BY DIVISIONS

Administrative	$283,339.65	$32.79	$91,638.97	$375,011.41
Economic	607,379.64	94,523.13	948.50	702,851.27
Chief counsel	159,523.51	14,952.57	21,285.78	195, 761.86
Chief examiner	276,305.08	47,471.68	8,624.66	332,401.42
Board of review	25,402.58			25,402.58
Special board of investigation	23,326.95	92.56	36.00	23,455.51
Trial examiner	62,444.05	8,497.91		70,941.98
Trade practice conference	36,999.64	843.37	152.30	37,995.31
Total	1,474,721.10	166,414.01	122,686.21	1,763,821.32

Adjustments

The following adjustments are made to account for the difference between costs and expenditures:

Total cost for the year ended June 30, 1932	$1,703,821.32
Less transportation issued	31,844.30
New total	1,731,977.02
Plus transportation paid	36,044.35
Expenditures for the year ended June 30, 1932	1,768,621.37

SHERMAN ANTI-TRUST ACT

AN ACT To protect trade and commerce against unlawful restraints and monopolies

Be it enacted by the Senate and House of representatives of the United States of America in Congress assembles:

SECTION 1. Every contract, combination the form of trust or otherwise, conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 2. Every person who shall monopolize, or attempt to monopolize, or com-bine or conspire with any other person or persons, to monopolize any part of the. trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 3. Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any Territory of the United States or of the District of Columbia, or restraint of trade or commerce between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 4. The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States; in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just the premises.

SEC. 5. Whenever it shall appear to the court before which any proceeding under section four of this act may be pending, that the ends of justice require that other parties should be brought before the court; the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and subpoenas to that end may be served in any district by the marshal thereof.

SEC. 6. Any property owned under any contract Or by any combination, or pursuant to any conspiracy (and being the subject thereof) mentioned section one of this act, and being in the course of transportation from one State to another, or to a foreign. country, shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law.

SEC. 7 Any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by this act, may sue therefor in any circuit court of the United States

in the district in which the defendant resides or is found, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee.

SEC. 8. That the word "person", or "persons", wherever used in this act shall be deemed to include corporations and associations existing under or authorized by the laws of either the United States, the laws of any of the Territories, the laws of any State, or the laws of any foreign country.

Approved, July 2, 1890.

FEDERAL TRADE COMMISSION ACT

AN ACT To create a Federal Trade Commission, to define its powers and duties, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a commission is hereby created and established, to be known as the Federal Trade Commission (hereinafter referred to as the Commission) , which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the commissioners shall be members of the same political party. The first commissioners appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the date of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of seven years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed : *Provided, however,* That upon the expiration of his term of office a commissioner shall continue to serve until his successor shall have been appointed and shall have qualified. The Commission shall choose a chairman from its own membership. No commissioner shall engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the Commission shall not impair the right of the remaining commissioners to exercise all the powers of the Commission.

The Commission shall have an official seal, which shall be judicially noticed.

SEC. 2. That each commissioner shall receive a salary of $10,000 a year, payable in the same manner as the salaries of the judges of the courts of the United States. The commission shall appoint secretary who shall receive a salary of $5,000 a year, payable in like manner, and it shall have authority to employ and fix the compensation of such attorneys, special experts, examiners, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

With the exception of the secretary, a clerk to each commissioner, the attorneys, and such special experts and examiners as the Commission may from time to time find necessary for the conduct of its work, all employees of the commission shall be a part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the Commission and by the Civil Service Commission.

All of the expenses of the Commission, including all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making *any* investigation, or upon official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Commission.

Until otherwise provided by law, the commission may rent suitable offices for its use.

The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the Commission. 2

SEC. 3. That upon the organization of the Commission and election of its chairman, the Bureau of Corporations and the offices of Commissioner and Deputy Commissioner of Corporations shall cease to exist; and all pending investigations and proceedings of the Bureau of Corporations shall be continued by the Commission.

All clerks and employees of the said bureau shall be transferred to and become clerks and employees of the Commission at their present grades and salaries. All records, papers, and property of the said bureau shall become records, papers, and property of the Commission, and all unexpended funds and appropriations for the use and maintenance of the said bureau, including any allotment already made to it by the Secretary of Commerce from the contingent appropriation for the Department of Commerce for the fiscal year nineteen hundred and fifteen, or from the departmental printing fund for the fiscal year nineteen

hundred and fifteen, shall become funds and appropriations available to be expended by the Commission in the exercise of the powers, authority, and duties conferred on it by this act.

The principal office of the Commission shall be in the city of Washington, but it may meet and exercise all its powers at any other place. The Commission may, by one or more of its members, or by such examiners as it may designate, prose-cute any inquiry necessary to its duties in *any* part of the United States.

SEC. 4. That the words defined in this section shall have the following meaning when found in this act, to wit :

"Commerce" means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

"Corporation" means any company, or association incorporated or unincorporated, which is organized to carry on business for its own profit and has shares of capital or capital stock, and any company, or association, incorporated or unincorporated, without shares of capital or capital stock or certificates of interest, except partnerships, which is organized to carry on business for its own profit or that of its members.

"Documentary evidence" means all documents, papers, and correspondence, in existence at and after the passage of this act.

"Acts to regulate commerce" means the act entitled "An act to regulate commerce," approved February fourteenth, eighteen hundred and eighty-seven, and all Acts amendatory thereof and supplementary thereto and the Communications Act of 1934 and all Acts amendatory thereof and supplementary thereto.

"Antitrust Acts" means the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July second, eighteen hundred and ninety; also sections 73 to 77, inclusive, of an act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August twenty-seven, eighteen hundred and ninety-four; also the act entitled "An act to amend sections 73 and 76 of the act of August twenty-seven, eighteen hundred and ninety-four, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,'" approved February twelveth, nineteen hundred and thirteen; and also the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October fifteenth, nineteen hundred and fourteen.

Sec. 5. That unfair methods of competition in commerce are hereby declared unlawful.

The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers, subject to the acts to regulate commerce, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.

Whenever the commission shall have reason to believe that any such person, partnership, or corporation has been or is using any unfair method of competition in commerce, and if it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public, it shall issue and serve upon such person, partnership, or corporation a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person, partnership, or corporation so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission requiring such person, partnership, or corporation to cease and desist from the violation of the law so charged in said complaint. Any person, partnership, or corporation may make application, and upon good cause shown may be allowed by the commission to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission. upon such hearing the commission shall be of the opinion that the method of competition in question is prohibited by this act, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person, partnership, or corporation an order requiring such person, partnership, or corporation to cease and desist from using such method of competition. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

If such person, partnership, or corporation fails or neglects to obey such order of the commission while the same is in effect, the commission may apply to the circuit court of appeals of the United States, within any circuit where the method of competition in question was used or where such person, partnership, or corporation resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person, partnership, or corporation and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission. The findings of the commission as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section two hundred and forty of the Judicial Code.

Any party required by such order of the commission to cease and desist from using such method of competition may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission be set aside. A copy of such petition shall be forth-with served upon the commission, and thereupon the commission forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission as in the case of an application by the commission for the enforcement of its order, and the findings of the commission as to the facts, if supported by testimony, shall in like manner be conclusive.

The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission shall be exclusive.

Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, end shall be in every way expedited. No order of the commission or judgment of the court to enforce the same shall in any wise relieve or absolve any person, partnership, or corporation from any liability under the antitrust acts.

Complaints, orders, and other processes of the commission under this section may be served by anyone duly authorized by the commission, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or *(b)* by leaving a copy thereof at the principal office of place of business of such person, partnership, or corporation; or *(c)* by registering and mailing a copy thereof addressed to such person, partner-ship, or corporation at his or its principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

SEC. 6. That the commission shall also have power--

(a) To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and management of any corporation engaged in commerce, excepting banks, and common carriers subject to the act to regulate commerce, and its relation to other corporations and to individuals, associations, and partnerships.

126056--32----11

(b) To require, by general or special orders, corporations engaged in commerce, excepting banks and common carriers subject to the act to regulate commerce, or any class of them, or any of them, respectively, to file with the commission in such form as the commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath, or otherwise, as the commission may prescribe, and shall be filed with the commission within such reasonable period as the commission may prescribe, unless additional time be granted in any case by the commission.

(c) Whenever a final decree has been entered against any defendant corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to make investigation, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General, it shall be its duty to make such investigation. It shall transmit to the Attorney General a, report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public in the discretion of the commission.

(d) Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust acts y any corporation.

(e) Upon the application of the Attorney General to investigate and make recommendations for the readjustment of the business of any corporation alleged to be violating the antitrust acts in order that the corporation may thereafter maintain its organization, management, and conduct of business in accordance with law

(F)To make pubolic from time to time such portions of the information obtained publicly it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest; and to make annual and special reports to the Congress and to submit therewith recommendations for additional legislation and to provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use.

(g) From time to time to classify corporations and to make rules and regulations for the purpose of carrying out the provisions of this act.

(h) To investigate, from time to time, trade conditions in and with foreign countries. where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

SEC. 7. That in any suit in equity brought by or under the direction of the Attorney General as provided in the antitrust acts, the court may, upon the conclusion of the testimony therein, if it shall be then of opinion that the complainant is entitled to relief, refer said suit to the commission, as a master in chancery, to ascertain and report an appropriate form of decree therein. The commission shall proceed upon such notice to the parties and under such rules of procedure as the court may prescribe, and upon the. coming in of such report such exceptions may. be filed and such proceedings had in relation thereto as upon the report of a matter in other equity causes, but the court may adopt or reject such report, in' whole or in part, and enter such decree as the nature of the ca se may in its judgment require.

SEC. 8. That the several departments and bureaus of the Government when directed by the President shall furnish the commission, upon its request, all records, papers, and information' in their possession relating to any corporation subject to any of. the provisions of this act, and shall detail from time to time such officials and employees to the commission as he may direct.

SEC. 9. That for the purposes of this act the commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may sign subpoenas, and members and examiners of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence.

Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Upon the application of the Attorney General of the United States, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person or corporation to comply with the provisions of this act or any order of the commission made in pursuance thereof.

The commission may order testimony to be taken by deposition in any proceeding or investigation pending under this act at any stage of such proceeding or investigation. Such deposition may be taken before an y person designated by the commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be' subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided,* That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 10. That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than $1,000 nor more than $5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall will-fully neglect or fail to make, or cause to be made, full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by any other means falsify any documentary evidence of such corporation, or who shall willfully refuse to submit to the commission or to an y of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence, of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than $1,000 nor more than $5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

If any corporation required by this act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the

same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

Any officer or employee of the commission who shall make public any information obtained by the commission without its authority, unless directed by a court, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punishable by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by fine and imprisonment, in the discretion of the court.

SEC. 11. Nothing contained in this act shall be construed to prevent or interfere with the enforcement of the provisions of the antitrust act or the acts to regulate commerce, nor shall anything contained in the act be construed to alter, modify, or repeal the said antitrust acts or the acts to regulate commerce or any part or parts thereof.

Approved, September 26, 1914.

SECTIONS OF THE CLAYTON ACT ADMINISTERED BY THE FEDERAL TRADE COMMISSION

"Commerce," as used herein, means trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the Jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the Jurisdiction of the United States: *Provided,* That nothing in this act contained shall apply to the Philippine Islands.

The word "person" or "persons" wherever used in this act shall be deemed to include corporations and associations existing under or authorized by the laws of either the United States the laws of any of the Territories, the laws of any State; or the laws of any foreign country.

SEC. 2. That it shall he unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided,* That nothing herein contained shall prevent discrimination in price between purchasers, of commodities, on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of Selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further,* That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from .selecting their own customers in bona fide transactions and not in restraint of trade.

SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

* * * * * * *

SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen

competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

Nor shall anything herein contained be construed to prohibit any common carrier subject to the laws to regulate commerce from aiding in the construction of branches or short lines so located as to become feeders to the main line of the company so aiding in such construction or from acquiring or owning all or any part of the stock of such branch lines, nor to prevent any such common carrier from acquiring and owning all or any part of the stock of a branch or short line constructed by an independent company where there is no substantial competition between the company owning the branch line so constructed and the company owning the main line acquiring the property or an interest therein, nor to prevent such common carrier from extending any of its lines through the medium of the acquisition of stock or otherwise of any other such common carrier where there is no substantial competition between the company extending its lines and the company whose stock, property, or an interest therein is so acquired

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided.* That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

SEC. 8. * * * That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations, any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000 engaged in whole or in part in commerce other than banks, banking associations, trust companies, and common carriers subject to the act to regulate commerce, approved February fourth, eighteen hundred and eighty-seven, if such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws. The eligibility of a director under the foregoing provision shall be determined by the aggregate amount of the capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter.

When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this act is eligible at the time of his election or selection to act for such bank or other corporation in such capacity his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment.

* * * * *

SEC. 11. That authority to enforce compliance with sections two, three, seven, and eight of this act by the persons respectively subject thereto is hereby vested: in the Interstate Commerce Commission where applicable to common carriers subject to the Interstate Commerce act, as amended; in the Federal Communications Commission where applicable to common carriers engaged in wire or radio communication or radio transmission of energy; in the Federal Reserve Board where applicable to banks, banking associations, and trust companies; and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows:

Whenever the commission, authority, or board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the

provisions of sections two, three, seven, and eight of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission, authority, or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause shown, may be allowed by the commission, authority, or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission, authority, or board. If upon such bearing the commission, authority, or board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections seven and eight of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission, authority, or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside in whole or in part, any report. or any order made or issued by it under this section.

If such person fails or neglects to obey such order of the commission, authority, or board while the same is in effect, the commission, authority, or board may apply to the circuit court of appeals of the United States, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission, authority, or board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person, and thereupon shall have Jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission, authority, or board. The findings of the commission, authority, or board as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, authority, or board, the court may order such additional evidence to be taken before the commission, authority, or board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission, authority, or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The Judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section two hundred and forty of the Judicial Code.

Any party required by such order of the commission, authority, or board to cease and desist from a violation charged may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission, authority, or board be set aside. A copy of such petition shall be forthwith served upon the commission, authority, or board, and thereupon the commission, authority, or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission, authority, or board as in the case of an application by the commission, authority, or board for the enforcement of its order, and the findings of the commission, authority, or board as to the facts, if supported by testimony, shall in like manner be conclusive.

The Jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission, authority, or board shall be exclusive.

Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission, authority, or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust Acts.

Complaints, orders, and other processes of the commission, authority, or board under this section may be served by anyone duly authorized by the commission or board, either (*a*) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (*b*) by leaving a copy thereof at the principal office or place of business of such person; or (*c*) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

* * * * * * *

Approved October 15, 1914.

EXPORT TRADE ACT

An Act to promote export trade, and for other purposes

Be it enacted by the Senate and *House of Representatives of the United States of America in Congress assembled*, That the words "export trade" where-ever used in this act mean solely trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States or any Territory thereof to any foreign nation; but the words "export trade" shall not be deemed to include the production, manufacture, or selling for consumption or for resale, within the United States or any Territory thereof, of such goods, wares, or merchandise, or any act in the course of such production, manufacture, or selling for consumption or for resale.

That the words "trade within the United States" wherever used in this act mean trade or commerce among the several States or in any Territory of the United States, or in the District of Columbia, or between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

That the word "Association" wherever used in this act means any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations.

SEC. 2. That nothing contained in the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July second, eighteen hundred and ninety, shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States, and is not in restraint of the export trade of any domestic competitor of such association: *And provided further*, That such association does not, either in the United States or elsewhere, enter info any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

SEC. 3. That nothing contained in section seven of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October fifteenth, nineteen hundred and fourteen, shall be construed to forbid the acquisition or ownership by any corporation of the whole or any part of the stock or other capital of any corporation organized solely for the purpose of engaging in export trade, and actually engaged solely in such export trade, unless the effect of such acquisition or ownership may be to restrain trade or substantially lessen competition within the United States.

SEC. 4. That the prohibition against "unfair methods of competition" and the remedies provided for enforcing said prohibition contained in the Art entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September twenty-sixth, nineteen hundred and fourteen, shall be construed as extending to unfair methods of competition used in export trade against competitors engaged in export trade, even though the acts constituting such unfair methods are done without the territorial jurisdiction of the United States.

SEC. 5. That every association now engaged solely" in export trade, within sixty days after the passage of this act, and every association entered into hereafter which engages solely in export trade, within thirty days after its creation, shall file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members, and if

a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated, a copy of its articles or contract of association, and on the first day of January of each year thereafter it shall make a like statement of the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members and of all amendments to and changes in its articles or certificate of incorporation or in its articles or contract of association. It shall also furnish to the commission such information as the commission may require as to its organization, business, conduct, practices, management, and relation to other associations, corporations, partnerships, and individuals. Any association which shall fail so to do shall not have the benefit of the provisions of section two and section three of this act, and it shall also forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the association has its principal office, or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of the forfeiture. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

Whenever the Federal Trade Commission shall have reason to believe that an association or any agreement made or act done by such association is in restraint of trade within the United States or in restraint of the export trade of any domestic competitor of such association, or that an association either in the United States or elsewhere has entered into any agreement, understanding, or conspiracy, or done any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein, it shall summon such association, its officers, and agents to appear before it, and thereafter conduct an. investigation into the alleged violations of law. Upon investigation, if it shall conclude that the law has been violated, it may make to such association recommendations for the readjustment of its business, in order that it may thereafter maintain its organization and management and conduct its business in accordance with law. If such association fails to comply with the recommendations of the Federal Trade Commission, said commission shall refer its findings and recommendations to the Attorney General of the United States for such action thereon as he may deem proper.

For the purpose of enforcing these provisions the Federal Trade Commission shall have all the powers, so far as applicable, given it in "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

Approved, April 10, 1918.

PROCEDURE AND POLICY

POLICY IN PURELY PRIVATE CONTROVERSIES

It shall be the policy of the commission not to entertain proceedings of alleged unfair practices where the alleged violation of law is a purely private controversy redressable in the Courts except where said practices substantially tend to affect the public. In cases where the alleged injury is one to a competitor only and is redressible in the courts by an action by the aggrieved competitor and the interest of the public is not substantially involved, the proceeding will not be entertained.

SETTLEMENT OF CASES BY STIPULATION

The end and object of all proceedings of the Federal Trade Commission is to end all unfair methods of competition or other violations of the law of which it is given jurisdiction. The law provides for the issuance of a complaint and a trial as procedure for the accomplishment of this end. But it is also provided that this procedure shall be had only when it shall be deemed to be in the public interest, plainly giving the commission a judicial discretion to be exercised in the particular case.

It has been contended that the language of the statute using the word "shall" is mandatory, but in view of the public-interest clause no member of the commission as now constituted holds or has ever held that the statute is mandatory. Hence, the proposed rule for settlement of applications for complaint by stipulation may be considered on its merits.

If it were not for the public-interest clause it might appear that the statute would be mandatory. It remains to determine what effect the public-interest clause has. In the interest of economy and of dispatch of business as well as the desirability of accomplishing the ends of the commission with as little harm to respondents as possible, therefore all cases should be so settled where they can be except where the public interest demands otherwise.

But when the very business itself of the proposed respondent is fraudulent, it may well be considered by the commission that the protection of the public demands that the regular procedure by complaint and order shall prevail. Indeed, there are some cases where that is the only course which would be of any value at all. As for instance the so-called "blue-sky cases" and all such where the business itself is inherently fraudulent or where a business of a legitimate nature is conducted in such a fraudulent manner that the commission is warranted in the belief that no agreement made with the proposed respondent will be kept by him.

The rule shall be that all cases shall be settled by stipulation except when the public interest demands otherwise for the reasons set forth above.

ON AFFORDING PROSPECTIVE RESPONDENTS OPPORTUNITY TO SHOW CAUSE WHY COMPLAINT SHOULD NOT ISSUE

Except as hereinafter provided, the board of review, before it shall recoin-
mend to the commission that a complaint issue in any case, shall afford the proposed respondent a hearing to show cause why a complaint should not issue. Such hearing shall be informal in character and shall not involve the taking of testimony. The proposed respondent shall be permitted to make or submit such statements of fact or law as he shall desire. The extent and control of such hearing shall rest with a majority of the board. The respondent shall have three weeks' notice of the time and place of hearing, to be served on the respondent by the secretary of the commission.

Provided, That if in any case the majority of the board shall be of opinion that a hearing is not required because (a) the respondent has been fully interviewed and has given to the examiner every fact or argument that could be

offered as a defense, or (b) the practice has been fully established and is of such character that in the nature of the case nothing could be adduced in mitigation, or (c) to delay the issuance of a complaint to afford a hearing might result in a loss of Jurisdiction, or (d) otherwise unnecessary or incompatible with the public interest, the board may transmit the case to the commission, via the docket section, with its conclusions and recommendations, without a hearing, as in this rule provided.

ON PUBLICITY IN THE SETTLEMENT OF CASES

In the settlement of any matter by stipulation before complaint is issued, no statement in reference thereto shall be made by the commission for publication.[1] After a complaint is issued, no statement in regard to the case shall be made by the commission for publication until after the final determination of the case.

After a complaint has been issued and served the papers in the case shall be open to the public for inspection, under such rules and regulations as the secretary may prescribe.

It has been the rule, which is now abolished, to issue a statement upon the filing of a complaint, stating the charges against a respondent.

Concerning the withholding of publicity where cases are settled by stipulation without complaint, the custom has always been not to issue any statement The so-called applicant or complaining party has never been regarded as a party in the strict sense. The commission is not supposed to act for any applicant, but wholly in the public interest. It has always been and now is the rule not to publish or divulge the name of an applicant or complaining party, and such party has no legal status before the commission except where allowed to intervene as provided by the statute.

ON DEALING WITH UNFAIR COMPETITION THROUGH TRADE-PRACTICE CONFERENCES

The trade-practice conference affords, broadly stated, a means through which representatives of an industry voluntarily assemble, either at their own instance or that of the commission, but under the auspices of the latter, for the purpose of considering any unfair practices in their industry, and collectively agreeing upon and providing for their abandonment in cooperation with and with the support of the commission.

This procedure deals with an industry as a unit. It is concerned solely with practices and methods, not with individual offenders. It regards the industry as occupying a position comparable to that of friend of the court" and not as that of the accused. It wipes out on a given date all unfair methods condemned at the conference and thus places all competitors on an equally fair competitive basis. It performs the same function as a formal complaint with out bringing charges, prosecuting trials, or employing any compulsory process, but multiplies results by as many times as there are members in the industry who formerly practiced the methods condemned and voluntarily abandoned.

The beneficial results of this form of procedure are now well established, and the commission is always glad to receive and Consider requests for the holding of trade-practice conferences. [2]

1 The commission does. however, after omitting the names of the proposed respondents, make public digests of cases in which it accepts stipulations of the facts an agreements to cease and desist.

2 The commission has prepared and published for public distribution a pamphlet entitled " Trade Practice Conferences," in which the history, theory, and working of this procedure and the various trade-practice conferences theretofore held by the commission are described.

RULES OF PRACTICE

I. SESSIONS

The principal office of the commission at Washington, D. C., is open each business day from 9 a. m. to 4.30 p. m. The commission may meet and exercise all its powers at any other place, and may, by one or more of its members, or by such examiners as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

Sessions of the commission for hearing contested proceedings will be held as ordered by the commission.

Sessions of the commission for the purpose of making orders and for the transaction of other business, unless otherwise ordered, will be held at the office of the commission at Washington, D. C., on each business day at 10.30 a. m Three members of the commission shall constitute a quorum for the transaction of business.

All orders of the commission shall be signed by the secretary.

II. COMPLAINTS

Any person, partnership, corporation, or association may apply to the commission to institute a proceeding in respect to any violation of law over which the commission has jurisdiction.

Such application shall be in writing, signed by or in behalf of the applicant, and shall contain a short and simple statement of the facts constituting the alleged violation of law and the name and address of the applicant and of the party complained of.

The commission shall investigate the matters complained of in such application, and if upon investigation the commission shall have reason to believe that there is a violation of law over which the commission has jurisdiction, and if it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public, the commission shall issue and serve upon the party complained of a complaint stating its charges and containing a notice of a hearing upon a day and at a place therein fixed, at least 40 days after the service of said complaint.

III. ANSWERS

(1) In case of desire to contest the proceeding the respondent shall, within such time as the commission shall allow (not less than 30 days from the service of the complaint), file with the commission an answer to the complaint. Such answer shall contain a short and simple statement of the facts which constitute the ground of defense. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint, unless respondent is without knowledge, in which case respondent shall so state, such statement operating as a denial. Any allegation of the complaint not specifically denied in the answer, unless respondent shall state in the answer that respondent is without knowledge, shall be deemed to be admitted to be true and may be so found by the commission.

(2) In case respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceeding, the answer may consist of a statement that respondent refrains from contesting the proceeding or that respondent consents that the commission may make, enter, and serve upon respondent an order to cease and desist from the violations of the law alleged in the complaint, or that respondent admits all the allegations of the complaint to be true. Any such answer shall be deemed to be an admission of all the allegations of the complaint, to waive a hearing thereon, and to authorize the commission, without a trial, without evidence, and without findings as to the facts or other intervening procedure, to make, enter, issue and serve upon respondent:

(a) In cases arising under section 5 of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" (the Federal Trade Commission act), or under sections 2 and 3 of the act of Congress approved October 15, 1914, entitled "An act to Supplement existing laws against unlawful restraints and monopolies, and for other purposes" (the Clayton Act), an order to cease and desist from the violations of law charged in the complaint.

(b) In cases arising under section 7 of the said act of Congress approved October 15, 1914 (the Clayton Act), an order to cease and desist from the violations of law charged in the complaint and to divest itself of the Stock alleged in the complaint to be held contrary to the provisions of said Section 7 of said Clayton Act.

(c) In cases arising under Section 8 of the said act of Congress approved October 15, 1914 (the Clayton Act), an order to cease and desist from the violation of law charged in the complaint and to rid itself of the directors alleged in the complaint to have been chosen contrary to the provisions of said section 8 of said Clayton Act.

(3) Failure of the respondent to appear or to file answer within the time as above provided for shall be deemed to be an admission of all allegations of the complaint and to authorize the commission to find them to be true and to waive hearing on the charges set forth in the complaint.

(4) Three copies of answers must be furnished. All answers must be signed in ink by the respondent or by his duly authorized attorney and must show the office and post-office address of the signer. All answers must be typewritten or printed. If typewritten, they must be on paper not more than 8 ½ inches wide and not more than 11 inches long. If printed, they must be on paper 8 inches wide by 101/2 inches long.

IV. SERVICE

Complaints, orders, and other processes of the commission may be served by anyone duly authorized by the commission, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, Secretary, or other executive officer, or a director, of the corporation or association to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person, partnership, corporation, or association; or (c) by registering and mailing a copy thereof addressed to such person, partnership, corporation, or association at his or its principal office or place of business. The verified return by the person so serving said complaint, order, or other process, Setting forth the manner of said service, shall be proof of the Same, and the return post-office receipt for said complaint, order, or other process, registered and mailed, as aforesaid, shall be proof of the service of the same.

V. INTERVENTION

Any person, partnership, corporation, or association desiring to intervene in a contested proceeding shall make application in writing, setting out the grounds on which he or it claims to be interested. The commission may, by order, permit intervention by counsel or in person to such extent and upon such terms as it shall deem just.

Applications to intervene must be on one side of the paper only, on paper not more than 8 ½ inches wide and not more than 11 inches long, and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 ½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper, 8 inches wide by 10 ½ inches long, with inside margins not less than 1 inch wide.

VI. CONTINUANCES AND EXTENSIONS OF TIME

Continuances and extensions of time will be granted at the discretion of commission,

VII. WITNESSES AND SUBPOENAS

Witnesses shall be examined orally, except that for good and exceptional cause for departing from the general rule the commission may permit their testimony to be taken by deposition.

Subpoenas requiring the attendance of witnesses from any place in the United States at any designated place of hearing may be issued by any member of the commission.

Subpoenas for the production of documentary evidence (unless directed to issue by a commissioner upon his own motion) will issue only upon application in writing, which must be verified and must specify, as near as may be, the documents desired and the facts to be proved by them.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States. Witness fees and mileage shall be paid by the party at whose instance the witnesses appear.

VIII. TIME FOR TAKING TESTIMONY

Upon the joining of issue in a proceeding by the commission the examination of witnesses therein shall proceed with all reasonable diligence and with the least practicable delay. Not less than five days' notice shall be given by the commission to counsel or parties of the time and place of examination of witnesses before the commission, a commissioner, or an examiner.

IX. OBJECTIONS TO EVIDENCE

Objections to the evidence before the commission, a commissioner, or an examiner shall, in any proceeding, be in short form, stating the grounds of objections relied upon, and 110 transcript filed shall include argument or debate.

X. MOTIONS

A motion in a proceeding by the commission small briefly state the nature of the order applied for, and all affidavits, records, and other papers upon which the same is founded, except such as have been previously filed or served in the same proceeding, shall be filed with such motion and plainly referred to therein.

XI. HEARINGS ON INVESTIGATION

When a matter for investigation is referred to a single commissioner for examination or report, such commissioner may conduct or hold conferences or hearings thereon, either alone or with other commissioners who may sit with him, and reasonable notice of the time and place of such hearings shall be given to parties in interest and posted.

The general counsel or one of his assistants, or such other attorney as shall be designated by the commission, shall attend and conduct such hearings, and such hearings may, in the discretion of the commissioner holding same, be public.

XII. HEARINGS BEFORE EXAMINERS

When issue in the case is set for trial it shall be referred to an examiner for the taking of testimony. It shall be the duty of the examiner to complete the taking of testimony with all due dispatch, and he shall set the day and hour to which the taking of testimony may from time to time be adjourned. The taking of the testimony both for the commission and the respondent shall be completed within 30 days after the beginning of the same unless, for good cause shown, the commission shall extend the time. The examiner shall, within 10 days after the receipt of the stenographic report of the testimony, make his report on the facts, and shall forthwith, serve copy of the same on the parties or their attorneys, who, within 10 days after the receipt of same, shall file in writing their exceptions, if any, and said except ions shall specify the particular part or parts of the report to which exception is made, and said exceptions shall include any additional facts which either party may think proper. Seven copies of exceptions shall be filed for the use of the commission. Citations to the record shall be made in support of such exceptions Where briefs are filed the same shall contain a copy of such exceptions. Argument on the exceptions, if exceptions be filed, shall be had at the final argument on the merits.

When, in the opinion of the trial examiner engaged in taking testimony in any formal proceeding, the size of the transcript or complication or importance of the issues involved warrants it, he may of his own motion or at the request of counsel at the close of the taking of testimony announce to the attorneys for the respondent and for the commission that the examiner will receive at any time before he has completed the drawing of the "trial examiner's report upon the facts" a statement in writing (one for either side) in terse outline setting forth the contentions of each as to the facts proved in the proceeding.

These statements are not to be exchanged between counsel amid are not to be argued before the trial examiner.

Any tentative draft of findings or findings submitted by either side shall be Submitted within 10 days after the closing of the taking of testimony and not later, which time shall not be extended.

XIII. DEPOSITIONS IN CONTESTED PROCEEDINGS

The commission may order testimony to be taken by deposition in a contested proceeding.

Depositions may be taken before any person designated by the commission and having power to administer oaths.

Any party desiring to take the deposition of a witness shall make application in writing, setting out the reasons why such deposition should be taken, and stating the time when, the place where; and the name and post-office address of the person before whom it is desired the deposition be taken, the name and post-office address of the witness, and the subject matter or matters concerning which the witness is expected to testify. If good cause be shown, the commission will make and serve upon the parties, or their attorneys, an order wherein the commission shall name the witness whose deposition is to be taken and specify the time when, the place where, and the person before whom the witness is to testify, but such time and place, and the person before whom the deposition is to be taken, so specified in the commission's order, may or may not be the same as those named in said application to the commission.

The testimony of the witness shall be reduced to writing by the officer before whom the deposition is taken, or under his direction, after which the deposition shall be subscribed by the witness and certified in usual form by the officer. After the deposition has been so certified it small, together with a copy thereof made by such officer or under his direction, he forwarded by such officer under seal in an envelope addressed to the commission at its office in Washington, D. C. Upon receipt of the deposition and copy the commission shall file in the record in said proceeding such deposition and forward the copy to the defendant or the defendant's attorney.

Such depositions shall be typewritten on one side only of the paper, which shall be not more than 8 ½ inches wide and not more than 11 inches long and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 ½ inches wide.

No deposition shall be taken except after at least 6 days' notice to the parties, and where the deposition is taken in a foreign country such notice shall be at least 15 days.

No deposition shall be taken either before the proceeding is at issue, or, unless under special circumstances and for good cause shown, within 10 days prior to the date of the hearing thereof assigned by the commission, and where the deposition is taken in a foreign country it shall not be taken after 30 days prior to such date of hearing.

XIV. DOCUMENTARY EVIDENCE

Where relevant and material matter offered in evidence is embraced in a document containing other matter not material or relevant and not intended to be put in evidence, such document will not be filed, but a copy only of such relevant and material matter shall be filed.

XV. BRIEFS

All briefs must be filed with the secretary of the commission and briefs on behalf of the commission must be accompanied by proof of the service of the same as hereinafter provided, or the mailing of same by registered mail to the respondent or its attorney at the proper address. Twenty copies of each brief shall be furnished for the use of the commission unless otherwise ordered.

The exceptions, if any, to the trial examiner's report must be incorporated in the brief. Every brief, except the reply brief on behalf of the commission, hereinafter mentioned, shall contain in the order here stated:

(1) A concise abstract or statement of the case.

(2) A brief of the argument, exhibiting a clear statement of the points of fact or law to be discussed, with the reference to the pages of the record and the authorities relied upon in support of each point.

Every brief of more than 10 pages shall contain on its top flyleaves a subject index with page references, the subject index to be supplemented by a list of all cases referred to, alphabetically arranged, together with references to pages where the cases are cited.

Briefs must be printed in 10 or 12 point type on good unglazed paper 8 inches by 10 ½ inches, with inside margins not less than 1 inch wide, and with double leaded text and single leaded citations.

The reply brief on the part of the commission shall be strictly in answer to respondent's brief.

The time within which briefs sh all be filed is fixed as follows: For the opening brief on behalf of the commission, 30 days from the day of the service upon the chief counsel or trial attorney of the commission of the trial examiner's report; for brief on behalf of respondent 30 days after the date of service upon the respondent or his attorney of the brief on behalf of the commission for reply brief on behalf of the commission, 10 days after the filing of the respondent's brief. Reply brief on behalf of respondent will not be permitted to be filed. Applications for extension of time in which to file briefs shall be by petition in writing, stating the facts on which the application rests, which must be filed with the commission at least five days before the time fixed for filing such briefs. Briefs not filed with the commission on or before the dates fixed therefor will not be received except by special permission of the commission. Appearance of additional counsel in a case shall not, of itself, constitute sufficient grounds for extension of time for filing brief or for postponement of final hearing.

Briefs on behalf of the commission may be served by delivering a copy thereof to the respondent's attorney or to the respondent in case respondent be not represented by attorney; or by registering and mailing a copy thereof addressed to the respondent's attorney or to the respondent in case respondent be not represented by attorney, at the proper post-office address. Written acknowledgment of service, or the verified return of the party making the service, shall constitute proof of personal service as hereinbefore provided, amid the return post-office receipt aforesaid for said brief, when registered and mailed, shall constitute proof of the service of the same.

Oral arguments may be bad only as ordered by the commission on written application of the chief counsel or of respondent filed not later than five days after expiration of the time allowed for filing of reply brief of counsel for the commission.

XVI. REPORTS SHOWING COMPLIANCE WITH ORDERS

In every case where an order is issued by the commission for the purpose of preventing violations of law the respondent or respondents therein named shall file with the commission, within the time specified in said order, a report in writing setting forth in detail the manner and form in which the said order of the commission has been complied with.

XVII. REOPENING PROCEEDINGS

In any case where an order to cease and desist, an order dismissing a complaint, or other order disposing of a proceeding is issued, the commission may, at any time within 90 days after the entry of such order, for good cause shown in writing and on notice to the parties, reopen the case for such further proceedings as to the commission may seem proper.

XVIII. ADDRESS OF THE COMMISSION

All communications to the commission must be addressed to Federal Trade Commission, Washington, D. C., unless otherwise specifically directed.

126056--32----12

PROCEEDINGS DISPOSED OF IN FISCAL YEAR

[The cases listed here are those in which, during the fiscal year re ported, the commission issued orders to cease and desist from unfair methods of competition found to have been practiced by respondents in violation of the Federal Trade Commission Act, except in several in stances where the violations were of the Clayton Act. Orders of dismissal are included.]

ORDERS TO CEASE AND DESIST

Alexander-Martin Co. (Inc.) and others, Grand Rapids. (Docket 1926.) Order entered November 14, 1931, with consent of respondent, requiring respondent, engaged in the sale of men's ready-made clothing, to discontinue representing: (a) That any clothing is "tailor-made" except such clothing as is actually cut to customer's measurements before being made into the finished garments; (b) that opportunity for inspection will be given before payment of the balance due, when goods are sent C. O. D. without privilege of inspection; (a) that two Suits of clothes are being given for the price of one when such is not the fact; (d) that a full refund, in accordance with their guarantee of fit and satisfaction, will be given, unless and until such refund is consistently given after a reasonable attempt to adjust has proven unsatisfactory.

Aviation Institute of U. S. A. (Inc.), Washington, D. C. (Docket 1834.) Order entered September 21, 1931, requiring respondent, engaged in conducting a correspondence course of study in aviation, to discontinue the use of the letters "U. S. A." in firm name and the use of any letters, insignia, or device in a manner to imply affiliation with or indorsement by some branch of the Government of the United States.

Bailey Radium Laboratories (Inc.) and others, East Orange, N. J. (Docket 1756.) Order entered December 19, 1931, with consent of respondents, requiring respondents, engaged in the preparation and sale of a radioactive water designated "Radithor," to discontinue the following practices: (a) Representing that the alpha ray in radium as used in respondent's product is not destructive, that "Radithor" is the climax of 30 years of toil by hundreds of scientists, is the outstanding achievement in the application of radioactive rays, and is a harmless product that may be used effectively in the treatment of approximately 150 disorders of the human body; (b) circulating statements of physicians as to the therapeutic value of radioactive therapy without a statement to the effect that such statements were not made with specific reference to "Radithor," and circulating statements of physicians as to the therapeutic value of "Radithor" unless and until such statements are based on the physicians' clinical experience with the product; (c) publishing and circulating books and leaflets advertising "Radithor" that are written by some one other than the person specified as the author; (d) using the corporate name "Bailey Radium Laboratories, Inc.," or implying in any other way that "Radithor" is manufactured by respondents in a laboratory owned or operated by them.

Barnes, C. Arlington, Providence, R. I. (Docket 1981.) Order entered December 15, 1931, requiring respondent, engaged in the sale of jewelry, to dis-continue representing respondent is an importer unless and until importing precious stones or articles for use in manufacturing jewelry; and to discontinue representing that a new ring will be given free of charge if returned defective within five years from date of purchase upon receipt of 25 cents for postage and packing, unless and until the purchaser is charged only for the packing and postage.

Beacon Manufacturing Co., New Bedford, Mass. (Docket 1873,) Order issued June 28, 1932, requiring respondent, engaged in the manufacture of blankets, to discontinue the use of Indian scenes and of the words "Indian," "Indian Blankets," and "Beacon Indian Blankets," to advertise and designate machine-made blankets, without clearly indicating that such blankets are not made by American Indians, but are manufactured by respondent.

Brandler, Joseph B., New York. (Docket 1921.) Order entered February 29, 1982, requiring respondent, engaged as a manufacturer's distributing agent, to discontinue the use of the words "Pelt," "Persian," and "Persian Pelts" to designate a knitted fabric, and to discontinue their use on labels furnished purchasers for use on garments made therefrom.

Breitbart Institute of Physical Culture (Inc.), New York. (Docket 1609.) Order entered September 21, 1931, requiring respondent, engaged in conducting a correspondence School for instruction in physical training, to discontinue the following practices: (a) Representing that Siegmund Breitbart, who is now deceased, is living and associated with respondent's business; (b) that subscribers will have the benefit of the consideration of certain persons, in an advisory capacity or in any other capacity, unless and until such persons are associated with respondent; (c) using photographs showing physical development, without a Statement to the effect that the development did Dot result from the use of respondent's course of training; (4) Quoting a certain sum as the price of the course without advising that transportation charges for the apparatus are in addition thereto; (e) refusing to send complete course when terms of contract have been complied with; (f) promising shipment within a reasonable time or at a specified time, when there is no intention of making delivery at the time stated, due either to disinclination or inability.

Brooks & Co., T. Red Lion, Pa. (Docket 1442.) Order entered March 14, 1932 requiring respondent, engaged in the manufacture of cigars, to discontinue the use of the words "Havana" and "Havana Sweets" to designate cigars not made entirely of Cuban tobacco without a statement in type equally conspicuous and in immediate conjunction therewith to the effect that the cigars are devoid of Cuban tobacco or that they consist in part only of Cuban tobacco, as is warranted by the facts.

Brooten & Sons, H. H. (Inc.), Cloverdale, Oreg. (Docket 1927.) Order entered February 29, 1932, requiring respondent, engaged in the sale of a product in both liquid and solid form, designated "Brooten's Kelp Ore," which in its liquid form is an aqueous solution of iron and aluminum sulfates with a trace of sulphur and in its Solid form is a shale like clay containing iron and aluminum phosphates with a trace of sulphur, to discontinue misrepresenting its therapeutic value.

Brown Fence & Wire Co., Cleveland. (Docket. 1929.) Order entered June 28, 1932,. requiring respondent, engaged in the manufacture of fencing and fencing accessories and the sale thereof, together with similar products not manufactured by respondent, by means of mail orders, to discontinue representing in connection with the sale of articles not manufactured or produced by respondent that they pass directly to the consumer from respondent's own factories, mills, nurseries, hatcheries, or other establishments, without any expense or charge for a middleman or with but one profit plus the manufacturer's cost, when such is not the fact.

Crescent Creamery Co. (Inc.), Sioux Falls, S. Dak. (Docket 1984.) Order entered April 25, 1932, with consent of respondent, requiring respondent, engaged in the production and distribution of butter, to discontinue the circulation of false and defamatory statements relative to the manufacture, composition, or sale of oleomargarine.

"Dakota Alfalfa Growers," Mitchell, S. Dak. (Docket 1967.) Order entered January 29, 1932, with consent of respondents, requiring respondents, engaged in the sale of alfalfa seed purchased from Dakota Growers Finance Association, of which respondents are members, to discontinue the following practices: (a) Using the words "U. S. Registry" on tags or containers, without a statement to the effect that the words refer to a trade-mark registration in the United States Patent Office; (b) representing that the seeds reach the consumer directly from the growers, thus saving the middleman's profit, when such is not the fact; (c) representing that Dakota Alfalfa Growers or Dakota Finance Association, which was organized for the purpose of getting the best price for seeds, and of which respondents are officers, is a State-sponsored cooperative improvement association, when such is not the fact; (d) representing that the seed sold is grown from especially selected fields, unless and until selection is made to maintain or improve the variety; (e) attaching to containers of the seed tags of the identical shade of blue or red as the tags that have come to signify the highest and next highest quality of alfalfa seed of the Grimm or Cossack varieties, State inspected and certified, without

a conspicuous statement on such tags setting forth the actual variety of the seed and the fact that it has not been inspected or certified to under State supervision.

Douglis & Co., A. S., and others, Chicago. (Docket 1862.) Order entered June 28, 1982, requiring respondents, engaged in the sale of knives, candy, tableware, clocks, jewelry, fountain pens, sporting goods, dolls, and other articles of merchandise, to discontinue distributing to jobbers, wholesale or retail dealers merchandise so assembled as to suggest and make feasible its sale by lot or chance; and to discontinue selling punch boards or fortune boards in connection with or to promote the sale of respondent's merchandise.

Ebroclo Shirt Co. (Inc.), Greensboro, N. C. (Docket 1883.) Order entered November 16, 1981, requiring respondent engaged in the sale of men's shirts, to discontinue the use of the terms "From Factory to You," "Direct from the Manufacturer," and similar terms, in such a way as to imply that respondent manufactures the shirts sold and quotes prices exclusively of the middleman's profit; to discontinue the use of the words "Silk" and "Nusilk" to designate wearing apparel not made entirely of silk; and to discontinue the use of the words "English Broadcloth" to designate wearing apparel not made from broadcloth manufactured in England.

Elby Extract Co., New York. (Docket 1940.) Order entered June 28, 1932, requiring respondent, engaged in the manufacture of flavoring extracts and sirups, to discontinue representing respondent is an importer, when such is not the fact; and to discontinue the use of the words "Eugene et Joseph," "Eugene et Joseph Freres," "Bouquet 3me," or other words in the French language, to designate products made in the United States of domestic ingredients.

Fidelity Hop & Malt Corporation (Inc.) and others, Chicago. (Docket 1936.) Order entered November 10, 1931, requiring respondent Fidelity Hop & Malt Corporation, engaged in the sale of malt sirups purchased from Wander Co., and respondent Wander Co., engaged in the manufacture of malt sirups, to discontinue the use of the word "Saazar" to designate sirups of domestic make, without a statement in type equally conspicuous to the effect that the product is manufactured in the United States from domestic ingredients,

Fleming Bros., Chicago. (Docket 2014.) Order entered June 8, 1932, with consent of respondent, requiring respondent, engaged in the manufacture of veterinary remedies, to discontinue representing that a product designated "Fleming No.6 Powder" is a preventative or cure for heaves.

Franklin Paint Co., Cleveland. (Docket 1567.) Order entered June 28, 1932 Commissioner Ferguson dissenting to that portion of order restricting the use of the word "Manufacturer" and Commissioner Humphrey filing a memorandum dissenting to issuance of order, requiring respondent, engaged in the sale of paint manufactured by the Acorn Refining Co., to discontinue representing that certain paint is composed wholly or principally of white lead, zinc oxide, and linseed oil, with or without necessary color pigments and driers or that certain paint does not contain titanox, barium sulphate, asbestine, silicious material, or any inert material, when such are not the facts; and to discontinue representing that respondent is a manufacturer and quotes prices exclusive of the middleman's profits, giving a definite amount as the savings effected, without conspicuously disclosing respondent's association with the manufacturer, and unless such savings are effected.

Globe Supply Co., Detroit, (Docket 1963.) Order entered October 5, 1981, requiring respondent, engaged in the sale of cutlery, to discontinue the use of the word "Stainless" as a trade name or on labels, to designate cutlery other than that made of steel containing not more than 0.7 per cent carbon and from 9 to 16 per cent chromium.

Goodyear Manufacturing Co., Kansas City. (Docket 1678.) Order entered May 24, 1932 requiring respondent, engaged in the sale of raincoats through agents and mall orders, to discontinue the use of the words "All-weather" and "Goodyear" without the use of words in type equally conspicuous to the effect that the Goodyear Tire & Rubber Co. is not in any way associated therewith; to discontinue representing that respondent is a manufacturer, unless and until owning or operating a factory in which the products sold are manufac-hired; and to discontinue representing that special prices are being quoted for a limited time or that a prospective customer has been especially selected to receive respondent's offer of sale.

Green River Malt co. (Inc.), Boston. (Docket 1975.) Order entered May 16, 1932, requiring respondent, engaged in the sale of malt products, to discontinue the use of the words "Canadian Crown," "Canadian Style," "Pride of Quebec," "Berlinner," and " Fatherland," and the use of pictorial representations suggestive of a foreign country, to designate domestic products, without a statement in conspicuous type so placed as to be read in connection with the descriptive scene or designating words, to the effect that the products are made in the United States of domestic ingredients.

Greenberg & Josefsberg, New York. (Docket 2030.) Order entered June 27, 1932, requiring respondent, engaged in the importation and sale of wooden rulers, to discontinue the use of the word " Boxwood" to designate rulers made from wood other than that of the boxwood tree (Casearia proecox), grown in the West Indies.

Herman & Co., John C., Harrisburg. (Docket 1443.) Order entered February 27, 1932 with consent of respondents, requiring respondents, engaged in the manufacture of cigars, to discontinue the use of the words "Havana" and "Havana Darts" to designate cigars not made entirely of Cuban tobacco, without a statement in type equally conspicuous and in immediate conjunction therewith, to the effect that the cigars are devoid of Cuban tobacco or that they consist in part only of Cuban tobacco, as is warranted by the facts.

Inecto (Inc.), New York. (Docket 1452.) Order entered June 20, 1932, Commissioner Humphrey filing a dissenting memorandum, requiring respondent, engaged in the manufacture of hair dye designated "Inecto Rapid Notox" and commonly referred to as "Notox" or "Inecto," to discontinue the use of the word "Notox" to designate any hair-coloring product; to discontinue representing that the hair dye now designated by respondent as "Inecto Rapid Notox" or any other hair-coloring product of substantially the same composition is harmless to use, and does not contain any toxic or poisonous properties; to discontinue representing that any hair-coloring product is nontoxic or nonpoisonous when such is not the fact; and to discontinue the use of Endorsements of "Inecto Rapid Notox" or any other hair-coloring product in a manner to imply that such endorsements are genuine, or are unsolicited, or are from the users thereof, when such are not the facts.

Keppel & Bro., R. F. (Inc.), Lancaster, Pa. (Docket 1816.) Order entered September 28, 1931, requiring respondent, engaged in the manufacture of candy, to discontinue distributing to jobbers, wholesale or retail dealers, candy so packed and assembled, and accompanied by such display cards, as to suggest and make feasible its sale by lot or chance.

This case is now pending in the United States Circuit Court of Appeals for the Third Circuit on respondent's petition for review of commission's order to cease and desist.

Knapik & Erickson, Chicago. (Docket 1750.) Order entered October 28, 1931, requiring respondents, engaged in the sale of leather and imitation leather used in the manufacture of workmen's gloves, to discontinue the use of the word "Mulehide" to designate a product not made of leather.

Knickerbocker Watch Co. (Inc.), New York. (Docket 1960.) Order entered September 28, 1931, requiring respondent, engaged in the sale of watch cases and watch movements, to discontinue the use of the words "Gold" and "Golderaft" to designate watch cases not made in whole or in part of gold.

Lenape Hydraulic Pressing & Forging Co. (Inc.), Lenape, Pa. (Docket 1964.) Order entered October 24, 1931, with consent of respondent, requiring respondent, engaged in the manufacture of forged steel nozzles consisting of two pieces welded together, to discontinue the use of diagrams and statements representing the nozzles as being forged in one piece and offering a 1-piece, solid, seamless wall against steam, unless and until the nozzles are seamless forgings made in one piece.

Liberty Umbrella Co., and others, New York. (Docket 1988.) Order entered March 14, 1932, requiring respondents, engaged in the manufacture and sale of umbrellas, to discontinue the use of the words "Servisilk," "Taffeta," and "Swiss Taffeta" to designate umbrellas the coverings of which do not consist entirely of silk.

MacFadden Publications (Inc.), New York. (Docket 1549.) Order entered April 11, 1932, requiring respondent, a holding company owning and eon-trolling the stock of other corporations engaged in publishing or printing various magazines, periodicals, and tabloid dailies, to discontinue advertising

that a certain definitely set-out sum is the usual subscription price of a specified magazine and that a certain quotation for a subscription is offered only to a specially selected group of persons, when such are not the facts; and to discontinue representing that a subscription to a specified publication is being quoted at a reduced price for a limited time only, unless such offer is actually limited as to time of acceptance.

Madison Mills (Inc.), New York. (Docket 1776.) Order entered December 14, 1931, requiring respondent, engaged in the sale of men's shirts, to discontinue the use of the words "Mills," "Madison made shirts," "Shirt Manufacturers," and "Factory to wearer price" in a manner to imply that respondent manufactures the shirts sold and quotes prices exclusive of the middle man's profits, when neither owning nor operating a factory in which the products sold are manufactured; to discontinue representing that purchase price will be refunded without question in case of dissatisfaction, unless and until a prompt refund is made upon return of unsatisfactory goods; and to discontinue representing that shipments sent C.O.D. without privilege of inspection will be the designs, patterns, and styles selected by the purchaser, unless and until no substitutions are made.

Madison Paint Co., Cleveland. (Docket 1573.) Order entered June 28, 1932. (See order, Docket 1567, Franklin Paint Co.)

Manchester Cigar Co., York, Pa. (Docket 1459.) Order entered March 12, 1932, with consent of respondent, engaged in the manufacture of cigars, requiring respondent to discontinue the use of the words " Havana" and " Havana Cadet" to designate cigars not made entirely of Cuban tobacco, without a statement in type equally conspicuous and in immediate conjunction there with, to the effect that the cigars are devoid of Cuban tobacco or that they consist in part only of Cuban tobacco, as is warranted by the facts.

Mechanical Manufacturing Co. and others, Chicago. (Docket 1727.) Order entered March 4, 1932, requiring respondent Mechanical Manufacturing Co., engaged in the manufacture of railway equipment, to discontinue promising railroad companies a volume of Swift & Co.'s freight traffic in return for their patronage of respondent company, and threatening withdrawal of such traffic in the event that such patronage is not forthcoming; and requiring respondents O'Hara and Mayfleld, who are stockholders in respondent company, to discontinue making use of their official positions in the transportation department of Swift & Co. to induce other officials of the company to give undue preference to the equipment manufactured by respondent company.

Metal The Construction Co. (Inc.), New York. (Docket 1955.) Order entered May 31, 1932, requiring respondent, engaged in the importation from Belgium of a metal product used for the covering of walls and ceilings, to dis-continue the use of the words "The," "Belgian The," and "Belgiantile" to designate such product without the use of the words "imitation the made of metal" in immediate conjunction therewith.

Mutual Publishing Co. (Inc.) and others, Kansas City. (Docket 1571.) Order entered December 18, 1931, dismissing complaint as to Carl Kretsinger; requiring respondent Publishers Acceptance Corporation, a collector of notes and accounts, to discontinue claiming to be an innocent purchaser and bona fide holder of customer's negotiable paper when such is not the fact; and requiring respondents Mutual Publishing Co. and Educators Service Association, engaged in the sale of "Bufton's Universal Cyclopedia" with the "Loose Leaf Extension Service," and "Library of Knowledge," to discontinue the following practices: (a) Representing as endorsers or as collaborators and editors persons who have neither indorsed the books nor contributed to or assisted with the publication in any way; (b) using different names to designate books whose contents are practically identical with that of "Bufton's Universal Cyclopedia"; (c)) representing that "Bufton's Universal Cyclopedia," under whatever name sold, is the latest reference work, unless and until it shall be revised and brought up to date; (d) representing that the bindings are leather, that the price quoted is a special or introductory price, and that the Publishers Acceptance Corporation is an innocent purchaser and bona fide owner of customers' negotiable instruments, when such are not the facts; (e) representing that the books are being given free of charge, with no charge for transportation, the only payment to be made being that for the cumulative looseleaf extension supplement, when such are not the facts; (f) representing that the

extension service can be paid for at a certain rate per year, the subscription to be canceled at will, when such are not the terms of the contract presented for subscriber's signature; (a) securing a signature to a promissory note or a contract of purchase under guise of securing signature to a memorandum, receipt, or other informal paper.

National Dairy Union (Inc.), Washington, D. O. (Docket 1988.) Order entered March 28, 1932, with consent of respondent, requiring respondent, a corporation having 250 to 300 members engaged in the dairy industries, to discontinue the circulation of false and defamatory statements relative to the manufacture, composition, or sale of oleomargarine.

New Science Institute, Steubenville, Ohio. (Docket 1677.) Order entered October 26, 1931, requiring respondent, engaged in the manufacture of an appliance designated "Magic Dot," "Airtex-Magic Dot Combination," or "New Science System," for use in the treatment of hernia, to discontinue representing that science has condemned trusses as tortuous, unclean, and harmful, and that " Magic Box" is the latest development of science for the treatment of hernia, affording a support or cure in any considerable proportion of cases.

Nix-Nox Co., Dallas. (Docket 1983.) Order entered April 25, 1932, requiring respondent, engaged in the sale of a motor fluid, to discontinue representing that the fluid, when mixed with gasoline used as a motor fuel, allows the motor to operate on a leaner mixture and allows the carburetor to be cut down, thereby increasing mileage and increasing the power of the motor, unless and until the fluid possesses properties that will bring about such results.

Northam Warren Corporation (Inc.), New York. (Docket 1937.) Order entered December 14, 1932, requiring respondent, engaged in the manufacture of toilet preparations, to discontinue the use of testimonials given for a monetary consideration unless accompanied by a statement to that effect.

An appeal from the commission's order was filed in the United States Circuit Court of Appeals for the Second Circuit, and an order was entered in that court June 6, 1932, reversing the commission's order to cease and desist.

Para Paint & Varnish Co. (Inc.), Cleveland. (Docket 1932.) Order entered October 5, 1931, requiring respondent, engaged in the sale of paints, to discontinue using on paint cans labels bearing the names of ingredients and proportions of ingredients that do not truthfully represent the contents of the cans.

Perfolastic (Inc.), New York. (Docket 2010.) Order entered May 16, 1932, requiring respondent, engaged in the manufacture of corsets, to discontinue representing that the garment breaks down the fat cells and takes years off the appearance of its wearer, causing the figure to take on, instantly, youthful lines; to discontinue representing that a special, reduced price is being quoted for a limited time only, when such is not the fact; to discontinue representing that the garment is sent on free trial when purchaser is required to make a payment prior to its receipt, unless at the same time agreeing to refund purchase price and return postage at request of purchaser; to discontinue representing that an opportunity exists for the purchase of the garment at a lower price than has ever been asked before, when such is not the fact, and that it is being sold at a lower price than will ever he asked again.

Philadelphia Hosiery Mills, Philadelphia, Tenn. (Docket 1922.) Order entered December 14, 1931, requiring respondent, engaged in the manufacture of children's stockings, to discontinue the use of the word "Wool" to designate hosiery that does not contain wool in a substantial quantity; and to discontinue representing that hosiery contains wool, rayon, or any other material in a quantity in excess of the quantity actually contained therein.

Princess Silk Mills, New York. (Docket 1991.) Order entered June 25, 1932, requiring respondent, engaged in the sale of dress goods and garments, to discontinue the use of the trade name "Princess Silk Mills" or any other trade name containing the word "Mills," when neither owning nor operating a mill or factory; to discontinue the use of the word "Silk" to designate dress goods, garments, or other merchandise not composed entirely of silk; and to discontinue the use of the words "Satin," "Chiffon," "Pongee," and "Shantung," to designate products not made wholly of silk and the word "Linene" to designate products not made wholly of the fiber of flax, without the use of words clearly setting forth the true composition of the product in letters at least half the size of the letters of the designating words, in immediate conjunction therewith.

Progress Paint Co., Cleveland. (Docket 1575.) Order entered June 28, 1932. (See order, Docket 1567, Franklin Paint Co.)

Providence Malt Co. (Inc.), Providence, R. I. (Docket 1970.) Order entered February 15, 1932, requiring respondent, engaged in the sale of malt sirup, to discontinue the following practices: (a) Using the words "German Delight," or pictures and emblems suggestive of Germany, on labels and in advertising matter descriptive of malt or malt-sirup products manufactured in the United States of domestic ingredients, without a conspicuous statement to that effect in immediate conjunction therewith; (b) using the words "German Delight" accompanied by the word "Saazar" or the phrase "Imported Saazar Hop Flavor," together with foreign illustrations or emblems, on labels or in advertising matter descriptive of malt or malt-sirup products made in the United States of domestic ingredients, unless such product is flavored 100 per cent with Saazar hops, and without a conspicuous statement in immediate conjunction therewith to the effect that the product is manufactured in the United States of domestic ingredients flavored with imported Saazar hops; (c) using the word "Saazar" or any pictures or emblems suggestive of Saaz or the Saazar district of Czechoslovakia to designate malt or malt-sirup products that are not flavored 100 per cent with Saazar hops; (d) using the words "Canadian Arms," or pictures and emblems suggestive of Canada, on labels or in advertising matter to designate malt or malt-sirup products manufactured in the United States of domestic ingredients, without a conspicuous statement to that effect in immediate conjunction therewith.

Ralston University Press, Meriden, Conn. (Docket 1615.) Order entered September 28, 1931, requiring respondent, engaged in the sale of books, including "Complete Life Building" and "Instantaneous Magnetism," to discontinue the use of the word "University" in firm name, and to discontinue its use in advertising matter in a manner to imply association with or approval by a university.

Reliance Pencil Corporation, New York, (Docket 1924.) Order entered April 11, 1932 Commissioner Ferguson dissenting, requiring respondent, engaged in smoothing, printing, and stamping pencils, and adding thereto brass ferrules and erasers, to discontinue representing that respondent manufactures pencils, unless and until owning, operating, or controlling a factory in which pencils are made; and to discontinue representing that a factory belonging to a corporation in which respondent has no financial interest is a factory owned, controlled, or operated by respondent.

Rubinstein, Helena (Inc.), New York. (Docket 1884.) Order entered October 19, 1931, requiring respondent, engaged in the manufacture of toilet preparations, to discontinue the policy of requiring purchasers of products for resale to agree to maintain the resale prices fixed by respondent.

Saudford Mills and others, Sanford Me. (Docket 1587.) Order entered February 25, 1932, requiring respondents, engaged in the manufacture of imitation leather, to discontinue the use of the word "Buckskin" to designate a product not made of leather.

Sculler, Joseph, Columbus, Ohio. (Docket 1890.) Order entered January 29, 1932, requiring respondent, engaged in the sale of jewelry, to discontinue representing that he is a manufacturing jeweler, an importer of diamonds, or an importer of Swiss watches, unless and until he manufactures the jewelry sold and imports diamonds and Swiss watches in the regular course of business.

Sheinker & Son, W., and others, New York. (Docket 1909.) Order entered June 24, 1932, with the consent of respondent, requiring respondent, engaged in the manufacture of flavoring extracts designated "German Culinary Bouquet No. 22" and "German Culinary Bouquet No. 42" with the words "Wilhelm Schneider & Co. Leipzig and New York, U. S. A." on the labels, to discontinue the use of the words "German" and "Leipzig" to designate products made in the United States of imported ingredients, without the use of words, in close proximity thereto, to the effect that the ingredients are compounded in the United States.

Sheldon Co., Albert K., Boston. (Docket 1828.) Order entered June 21, 1932, with consent of respondent, requiring respondent, engaged in the manufacture of a varnish product designated "Shelco-Lac," to discontinue the use of the word "Shelco-Lac" to designate a product that is not pure shellac gum dissolved or cut in alcohol; and to discontinue the use of the word "Shelco"

or any other word of similar phonetic notation or spelling to designate a quick-drying spirit varnish of which the principal ingredients are Manila gum, Carnauba wax, and alcohol, without the designation "spirit varnish" in type equally conspicuous.

Silktex Hosiery & Lingerie Co. and others, Philadelphia. (Docket 1997.) Order entered April 25, 1932, requiring respondents, engaged in the sale of hosiery, lingerie, etc., through house-to-house canvassers, to discontinue the use of the word "Silk " to designate articles not made entirely of silk, without setting forth the other material or materials of which the merchandise is in part composed; and to discontinue the use of the word "Mills " in firm name and the use of other representations implying operation or ownership of mills or prices exclusive of the middleman's profit unless and until actually owning, operating, or controlling mills in which the lingerie and hosiery sold by respondent are manufactured.

Smith, Herbert L., Windsor, Pa. (Docket 1487.) Order entered March 14, 1932, requiring respondent, engaged in the manufacture of cigars, to discontinue the use of the words "Havana " and "Havana Brown " to designate cigars not made entirely of Cuban tobacco without a statement in type equally conspicuous and in immediate conjunction therewith, to the effect that the cigars are devoid of Cuban tobacco or that they consist in part only of Cuban tobacco, as is warranted by the facts.

Snyder & Sous, W. H., Windsor, Pa. (Docket 1441.) Order entered March B, 1932, requiring respondents, engaged in the manufacture of cigars, to discontinue the use of the words "Havana," "Havana Fruit," and "Havana Velvet " to designate cigars not made entirely of Cuban tobacco without a statement in type equally conspicuous and in immediate conjunction therewith, to the effect that the cigars are devoid of Cuban tobacco or that they consist in part only of Cuban tobacco, as is warranted by the facts.

Standard Education Society (Inc.) and others, Chicago. (Docket 1574.) Order entered December 24, 1931, requiring respondents, engaged in the publication and sale of "Standard Reference Work," to discontinue the following practices: (a) Using different names to designate books practically identical in content; (b) representing that any books will be given free of charge or that a special, introductory price is being quoted, when such is not the fact; (c) representing that "Standard reference Work" is a recently completed, up-to-date encyclopedia, and that the purchaser is charged only for the looseleaf supplements, when such are not the facts; (d) representing as collaborators and editors persons who have not contributed to. or assisted with the publication in any way; (e) circulating fictitious testimonials.

Textileather Corporation, New York. (Docket 1585.) Order entered October 5, 1931, with consent of respondent, requiring respondent, engaged in the manufacture of a coated fabric resembling leather, to discontinue the use of the word "Textileather " as a trade name, or on labels and in advertising matter without a readily discernible statement to the effect that the product is not leather; and to discontinue the use of the words "Regaleather," "Marveleather," "Royaleather," "Modeleather," "Drillhyde," "Gimphyde," "Krafthyde," and words of like import, to designate products not made of leather.

United States Pencil Co. (Inc.), New York. (Docket 1905.) Order entered April 11, 1932, Commissioner Ferguson dissenting, requiring respondent, engaged in the sale of pencils, to discontinue representing that respondent manufactures pencils unless and until owning, controlling, or operating a factory in which pencils are made.

United Tailoring Co. (Inc.) and others, New York. (Docket 1947.) Order entered June 3, 1932, requiring respondents, engaged in the distribution of men's clothing, to discontinue representing that clothing will be made of the cloth selected by the purchaser, that a branch place of business will be opened in a certain locality where clothing may be conveniently altered, and that two suits are being offered for the price of one, as a special introductory offer, when such are not the facts; to discontinue representing that clothes will be made to the measurements of the purchaser, when such is not the fact; and to discontinue representing that clothes are cut by the block system and adjusted to the required measurements, unless and until the clothes are cut one suit at a time by the use of blocks or patterns, and adjusted to the measurements of the purchaser before cutting.

Waugh Equipment Co. and others, Depew, N. Y. (Docket 1779.) Order entered September 21, 1931, dismissing charges as to J. B. Scott; requiring re-

spondent Waugh Equipment Co., engaged in the manufacture of railway equipment, to discontinue promising railroad companies a volume of Armour & Co.'s freight traffic in return for their patronage of respondent company, and threatening withdrawal of such traffic in the event such patronage is not forthcoming; and requiring respondents Meeker and Ellis, who are stockholders in respondent company, to discontinue making use of their official positions in Armour & Co. to induce other officials in the company to give undue preference to the equipment manufactured by respondent company.

Western Leather Clothing Co. (Inc.), St. Louis. (Docket 1820.) Order entered May 24, 1932, requiring respondent, engaged in the manufacture of leather garments, to discontinue the use of the word "Horsehide " to designate garments that are not made from the hides of horses.

Whirlwind Carburetor Co. (Inc.) and others, Milwaukee. (Docket 1931.) Order entered November 12, 1931, requiring respondents, engaged in the manufacture of a mechanical device designated "Whirlwind Vaporizer," for use on an automobile motor, to discontinue representing that salesmen will make over $100 a week selling the device and that its use has been found by actual test to cut gas costs one-third, give from 25 to 50 per cent increase in mileage, and eliminate carbon; and to discontinue using in advertising matter the slogan "450 miles on a gallon of gas," without the explanation thereof in type equally conspicuous, to the effect that some person has claimed there is sufficient energy in 1 gallon of gasoline, if converted 100 per cent into mechanical energy, to run a 4-cylinder car 450 miles.

NUMERICAL LIST--ORDERS TO CEASE AND DESIST

Docket No.	Respondent
1441	W. H. Snyder & Sons.
1442	T. E Brooks & Co.
1443	John C. Herman & Co.
1452	Inecto (Inc.).
1459	Manchester Cigar Co.
1467	Herbert L. Smith.
1549	Macfadden Publications (Inc.).
1567	Franklin Paint Co.
1571	Mutual Publishing Co. and others.
1573	Madison Paint Co.
1574	Standard Education Society and others.
1575	Progress Paint Co.
1585	Textileather Co.
1587	Sanford Mills and others.
1609	Breitbart Institute of Physical Culture (Inc.).
1615	Ralston University Press.
1677	New Science Institute.
1678	Goodyear Manufacturing Co.
1727	Mechanical Manufacturing Co. and others.
1750	Knapik & Erickson.
1756	Bailey Radium Laboratories (Inc.) and others.
1776	Madison Mills (Inc.).
1779	Waugh Equipment Co. and others.
1816	R. F. Keppel & Bro. (Inc.).
1820	Western Leather Clothing Co.
1828	Albert K. Sheldon Co.
1834	Aviation Institute of U. S. A. (Inc.).
1862	A. S. Douglis & Co. and others.
1878	Beacon Manufacturing Co.
1883	Ebroclo Shirt Co. (Inc.).
1884	Helena Rubinstein (Inc.).
1890	Joseph Sculler.
1905	United States Pencil Co. (Inc.).
1909	W. Sheinker & Son and others.
1921	Joseph P. Brandler.
1922	Philadelphia Hosiery Mills.
1924	Reliance Pencil Corporation.
1926	Alexander -Martin Co. and others.
1927	H. H. Brooten & Sons (Inc.).
1929	Brown Fence & Wire Co.
1931	Whirlwind Carburetor Co. and others.
1932	Para Paint & Varnish Co.
1936	Fidelity Hop & Malt Corporation and others.
1937	Northam Warren Corporation.
1940	Elby Extract Co.
1947	United Tailoring Co. (Inc.).
1955	Metal The Construction Co. (Inc.).
1960	Knickerbocker Watch Co.
1963	Globe Supply Co.
1964	Lenape Hydraulic Pressing & Forging Co.
1967	"Dakota Alfalfa Growers."
1968	Liberty Umbrella Co. and others.
1975	Green River Malt Co.
1976	Providence Malt Co.
1981	C. Arlington Barnes.
1983	Nix-Nox Co.
1984	Crescent Creamery Co. (Inc.).
1988	National Dairy Union.
1991	Princess Silk Mills.
1997	Silktex Hosiery & Lingerie Co. and others.
2010	Perfolastic (Inc.).
2014	Fleming Bros.
2030	Greenberg & Josefsberg.

ORDERS OF DISMISSAL

Associated Knitting Mills Outlet Co. (Inc.), Bay City, Mich. (Docket 1783.) Alleged false and misleading advertising and misrepresenting that respondent is a manufacturer, in connection with the sale of blankets and clothing; dismissed, respondent having discontinued business.

Atlas, Charles, New York. (Docket 1952.) Alleged false and misleading advertising and misrepresentation as to prices, gratuities, and therapeutic value, in connection with the sale of a correspondence course in physical culture; dismissed.

Auto Science Association (Inc.) and others, Fort Wayne, Ind. (Docket 1935.) Alleged false and misleading advertising in connection with the sale of a correspondence course of instruction in mental science; dismissed, respondents having discontinued business.

Bagedonow, I. M. (Inc.), New York. (Docket 1923.) Alleged false and misleading advertising, misbranding, and misrepresenting that respondent is an importer, in connection with the sale of women's coats; dismissed.

Black & Yates (Inc.), New York.) (Docket 1796.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Bohon Co., D. T. (Inc.), Harrodsburg, Ky. (Docket 1893.) Alleged false and misleading advertising and misrepresentation as to prices and quality in connection with the sale of paints; dismissed without prejudice.

Bond Brothers & Co. (Inc.), New York. (Docket 187&) Alleged fraud in export trade, misbranding, and false and misleading advertising in connection with the sale of baled newspapers; dismissed, respondent having discontinued practices charged in the complaint.

Bossert & Sons, Louis (Inc.), Brooklyn. (Docket 1785.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Boyd-Martin Boat Co., Delphi, Ind. (Docket 1900.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Cadwallader-Gibson Co. (Inc.), San Francisco. (Docket 1744.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Chase & Sanborn (Inc.), Boston. (Docket 1998.) Alleged use of paid testimonials and false and misleading advertising in connection with the sale of coffee; dismissed, respondent corporation having been dissolved.

Chicago Warehouse Lumber Co., Chicago. (Docket 1742.) See dismissal in the mater of Sea Sled Corporation, Docket 1734.

Citrus Products Co., Chicago. (Docket 1700.) Alleged misbranding and false and misleading advertising in connection with the sale of beverage concentrates; dismissed without prejudice.

Cohen, Goldman & Co. (Inc.), New York. (Docket 1754.) Alleged establishment and maintenance of a resale-price policy in connection with the sale of men's clothing; dismissed.

Continental Steel Corporation, Kokomo, Ind. (Docket 1589.) Alleged acquisition of stock tending to lessen competition and create a monopoly in the sale of steel, in violation of section 7 of the Clayton Act; dismissed.

Crown Overall Manufacturing Co., Cincinnati. (Docket 1676.) Alleged acquisition of stock tending to lessen competition and create a monopoly in the sale of overalls and trousers, in violation of section 7 of the Clayton Act; dismissed.

Dart Boats (Inc.), Toledo, Ohio. (Docket 1768.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Deniston Co., Chicago. (Docket 1889.) Alleged misbranding and false and misleading advertising in connection with the sale of roofing nails; dismissed.

Diel Watch Case Co. (Inc.), New York. (Docket 1044.) Alleged misbranding and false and misleading advertising in connection with the sale of watch cases; dismissed, this action rescinding an order to cease and desist previously entered.

Doernbecher Manufacturing Co., Portland, Oreg. (Docket 1957.) Alleged establishment and maintenance of a uniform resale-price policy in connection with the sale of furniture; dismissed, respondent not being engaged in interstate commerce.

General Cigar Co. (Inc.), New York. (Docket 1879.) Alleged adoption and maintenance of a merchandising system involving exclusive distribution in connection with the sale of cigars; dismissed, Commissioner McCulloch filing memorandum of dissent.

Gillespie Furniture Co. and others, Los Angeles. (Docket 1916.) Alleged misrepresentation in the sale of motor boats, certain parts of which are made of woods other than mahogany; dismissed as to respondent Furniture Corporation of America (Ltd.), Commissioner McCulloch dissenting, and dismissed as to respondent Gillespie Furniture Co., Commissioner McCulloch dissenting, upon agreement by the latter respondent to refrain from the use of the word "Mahogany " without the modifying term "Philippine" in connection with the sale of wood, or commodities made therefrom, from the Philippine Islands, heretofore designated "Philippine Mahogany."

Greenfield's Sons, E. (Inc.), Brooklyn. (Docket 1804.) Alleged lottery in the sale of candy; dismissed, respondent having discontinued business.

Hall, E W., and others, St. Louis. (Docket 1994.) Alleged false and misleading advertising and misrepresentation as to the therapeutic value, in connection with the sale of a proprietary medicine designated "Texas Wonder"; dismissed upon agreement by respondent to discontinue practices charged in the complaint.

Hurty-Peck & Co., Indianapolis. (Docket 1820.) Alleged misbranding and false and misleading advertising in connection with the sale of beverage concentrates; dismissed.

Lazier Manufacturing Co., J. F. (Inc.), St. Louis. (Docket 1758.) Alleged misbranding and false and misleading advertising in connection with the sale of beverage concentrates; dismissed.

Matthews Co. (Inc.), Port Clinton, Ohio. (Docket 1751.) See dismissal in the matter of Sea Sled Corporation, Docket 19134.

McLaren Consolidated Cone Corporation, Dayton, Ohio. (Docket 1830.) Alleged inclusion of exclusive dealing agreements in contracts made in connection with the leasing of machinery for the making of cones and pastry, in violation of section 3 of the Clayton Act; dismissed.

McKesson & Robbins (Inc.), Baltimore. (Docket 1689.) Alleged acquisition of stock tending to lessen competition and create a monopoly in the sale of drugs, in violation of section 7 of the Clayton Act; dismissed.

Meyer & Co., Emile, and others, New York. (Docket 1984.) Alleged misbranding, false and misleading advertising, and misrepresenting that respondent is a manufacturer, in connection with the sale of women's clothing; dismissed.

Morris Consolidated, Philip (Inc.), New York. (Docket 1705.) Alleged acquisition of stock tending to lessen competition and create a monopoly in the sale of cigarettes, in violation of section 7 of the Clayton Act; dismissed, Commissioner McCulloch dissenting.

National Pastry Products Corporation, Boston. (Docket 1760.) Alleged acquisition of stock tending to lessen competition and create a monopoly in the sale of pastry products and candy, in violation of section 7 of the Clayton Act; dismissed.

New England Electrical Fixture Co. (Inc.) and others, Boston. (Docket 1749.) Alleged fraud in the securing of contracts of sale for electric lighting units and misrepresentation of the quality and value of the units; dismissed, dismissal as to respondent Abraham Fistel being without prejudice.

Newton Remedy Co. and others, Toledo, Ohio. (Docket 194&) Alleged false and misleading advertising and misrepresentation of therapeutic value in connection with the sale of livestock remedies; dismissed, respondent, Fred F. Smith, trading as Newton Remedy Co. and others, having died since the issuance of the complaint.

Nitragin Co. (Inc.), Milwaukee. (Docket 1859.) Alleged false and misleading advertising and disparagement of competitors' products in connection with the sale of commercial innoculators; dismissed.

Pacific Door & Sash Co., Los Angeles. (Docket 1787.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Parisian Manicure Manufacture Co., New York. (Docket 1943.) Alleged misbranding and misrepresenting that respondent is an importer in connection with

the sale of manicure sticks; dismissed, respondent not being engaged in interstate commerce.

Paxton Lumber Co., Frank, Kansas City. (Docket 1738.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Radiant Specialty Co. (Inc.) and others, Dorchester, Mass. (Docket 1728) Alleged fraud in the securing of contracts of sale for electric-lighting units and misrepresentation of the quality and value of the units; dismissed.

Richards & Co. (Inc.) and others, Stamford, Conn. (Docket 1953.) Alleged false and misleading advertising, passing off of goods, and misbranding in connection with the sale of imitation leather; dismissed.

Sea Sled Corporation, New York. (Docket 1734.) Alleged misrepresentation in the sale of motor boats, certain parts of which are made of woods other than mahogany; dismissed, Commissioner McCulloch dissenting, upon agreement by respondent to refrain from the use of the word "Mahogany" without the modifying term "Philippine" in connection with the sale of wood, or commodities made therefrom, from the Philippine Islands, heretofore designated "Philippine Mahogany."

Stanton & Son, E. J., Los Angeles. (Docket 1740.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Warner-Jenkinson Co., St. Louis. (Docket 1839.) Alleged misbranding and false and misleading advertising in connection with the sale of beverage concentrates; dismissed.

Wendeistein & Co., Carl, Boston. (Docket 1741.) See dismissal in the matter of Sea Sled Corporation, Docket 1784.

Western Hardwood Lumber Co., Los Angeles. (Docket 1743.) See dismissal in the matter of Sea Sled Corporation, Docket 1734.

Williams & Sons, Ichaboyd T., New York. (Docket 1746.) Alleged passing off of goods and false and misleading advertising in connection with the sale of woods other than mahogany; dismissed, upon agreement by respondent to refrain from the use of the word "Mahogany " without the modifying term "African" in connection with the sale of wood from Africa heretofore designated "African Mahogany."

NUMERICAL LIST-ORDERS OF DISMISSAL

Docket No.	Respondent
1589	Continental Steel Corporation.
1676	Crown Overall Manufacturing Co.
1689	McKesson & Robbins (Inc.).
1700	Citrus Products Co.
1705	Philip Morris Consolidated (Inc.).
1728	Radiant Specialty Co. and others.
1734	Sea Sled Corporation.
1735	Louis Bossert & Sons (Inc.).
1736	Black & Yates (Inc.).
1737	Pacific Door & Sash Co.
1738	Frank Paxton Lumber Co.
1740	E. J. Stanton & Son.
1741	Carl Wendelstein & Co.
1742	Chicago Warehouse Lumber Co.
1743	Western Hardwood Lumber Co.
1744	Cadwallader-Gibson Co. (Inc.).
1746	Ichabod T. Williams & Sons.
1749	New England Electrical Fixture Co. (Inc.) and others.
1751	Matthews Co. (Inc.).
1754	Cohen, Goldman & Co. (Inc.).
1758	J. F. Lazier Manufacturing Co. (Inc.).
1760	National Pastry Products Corporation.
1768	Dart Boats (Inc.).
1783	Associated Knitting Mills Out let Co. (Inc.).
1804	E. Greenfield's Sons (Inc.).
1826	Hurty-Peck & Co.
1830	McLaren Consolidated Cone Corporation.
1839	Warner-Jenkinson Co.
1859	Nitragin Co. (Inc.).
1878	Bond Bros. & Co. (Inc.).
1879	General Cigar Co. (Inc.).
1889	Deniston Co.
1893	D. T. Bohon Co. (Inc.).
1906	Boyd-Martin Boat Co.
1916	Gillespie Furniture Co. and others.
1923	I. M. Bagedonow (Inc.).
1934	Emile Meyer & Co. and others.
1935	Auto-Science Association (Inc.) and others.
1943	Parisian Manicure Manufacturing Co.
1944	Diel Watch Case Co. (Inc.).
1948	Newton Remedy Co. and others.
1952	Charles Atlas.
1953	Richards & Co. (Inc.) and others.
1957	Doernbecher Manufacturing Co.
1994	E. W. Hall and others.
1998	Chase & Sanborn (Inc.)

COMPLAINTS PENDING JULY 1, 1931

[Except where otherwise designated, the charges in each of the following cases concern unfair methods of competition in alleged violation of section 5. Federal Trade Commission act.]

Adams, Charles F. (Inc.). (Docket 1812.) Charge (see charge in Docket 1789, Loden's (Inc.).

Status: At issue.

Adams Paint Co. (Docket 1961.) Charge: That respondent, engaged in sale of paints and a roof coating designated "Griptite," claims to be a manufacturer organized since 1902, carrying on a million-dollar business, maintaining a force of chemists for constant research work and manufacturing a superior paint costing from $1 to $2 less per gallon than other paint of similar quality, consisting of white lead, zinc oxide, pure linseed oil, and a secret ingredient that makes his product superior to that of other manufacturers, and uses in advertising matter the picture of a large building representing a factory, bearing a sign with name Adams Paint Co. thereon; thereby deceiving the purchasing public into the erroneous belief that respondent is a manufacturer occupying the building depicted and manufacturing paint of a superior quality, and that the prices quoted are exclusive of the middleman's profit.

Status: At issue.

Advance Candy Co. (Inc.). (Docket 1792.) Charge: That respondent, en gaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped pieces of candy to be sold at 1 cent each, and larger pieces of candy to be given as prizes to the purchaser of last piece of candy in assortment and to purchaser who by chance selects a piece having concealed within wrapper a printed slip of paper stating that purchaser thereof is entitled to a 5-cent package of candy as a prize; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Aetna Fire Brick Co. et al. (Docket 1527.) Charge: That respondents, engaged or interested in manufacture and sale of refractories or fire-brick shapes made of fire clay and/or silica, entered into a combination to establish sizes of base brick. uniform methods of compiling sizes of refractories and base-brick equivalents, uniform prices, terms, and methods of sale; thereby tending to hinder and suppress free competition, to the prejudice of the public and of respondent's competitors.

Status: At issue.

Agmel Corporation. (Docket 1766.) Charge: That respondent, engaged in importation and sale of preparation designated "Agmel," manufactured by its subsidiary, the Agave Co., in Mexico, from the sap of the maquey plant, circulates false and misleading statements to the effect that "Amgel" is a tonic and is effective in the treatment of many diseases, thereby deceiving the purchasing public into the erroneous belief that respondent's product possesses therapeutic properties.

Status: At issue.

American Box Board Co. and others, Grand Rapids, Mich. (Docket 2026.) Charge: That respondents, engaged in the manufacture of paper board and paper-board products from waste paper, entered into an agreement whereby all purchases of waste paper, a fixed minimum monthly purchase to be made by all

respondents, were to be made by respondent Meisterheim as a commercial agent, at a price agreed upon by respondents, which was lower than the prices then regularly charged, this depressed price to be maintained in the Chicago district by buying outside when a satisfactory price is not quoted and by refusing to purchase from dealers in that district who purchase the stock for resale from dealers not approved by respondents; thereby tending to hinder and suppress free competition and to depress prices, to the prejudice of the public and respondents' competitors.

Status: At issue on amended complaint.

American Candy Co. (Docket 1807.) Charge (see charge in Docket 1789, Luden's Inc.).

Status: At issue.

American Caramel Co. (Inc.). (Docket 1806.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped candles to be sold at 5 cents each and articles of merchandise to be given as prizes to purchasers of last piece of candy in assortment and to purchasers who by chance select a piece containing a slip concealed within wrapper, stating that a prize is to be given with that piece of candy, thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

American Cigar Co., New York. (Docket 2023.) Charge: That respondent, engaged in the manufacture of machine-rolled cigars designated "Cremo" and "Certified Cremo," advertises that 7,400 out of 7,500 cigar factories registered by the United States Government manufacture hand-rolled cigars, any of which is liable to contain dangerous germs as a result of "spit-tipping," but that the United States Department of Agriculture has approved the methods of manufacture by which respondent's cigars are made, the factories being clean and sunny, each leaf being scientifically treated and the cigars wrapped, tipped, and foiled without any possibility of coming in contact with saliva, and Alfred W. McCann, D. Litt, A. B., LL. D., famous pure-food expert and crusader for pure foods and sanitary factories, has certified Cremo as "sanitary"; thereby deceiving the purchasing public into the erroneous belief that the United States Department of Agriculture has indorsed respondent's method of manufacture, and that the finishing of the bead of a cigar with saliva, which practice has for the past two years been almost entirely confined to the small factory, whose output is consumed in the immediate neighborhood, is in general use by the manufacturers of cigars being sold in competition with those sold by respondents.

Status: Awaiting answer.

American College and others, Chicago. (Docket 2084.) Charge: That respondent American College, engaged in furnishing correspondence courses of instruction in pedopractics, and respondent American University, engaged in furnishing correspondence courses of instruction in physiotherapy, neither school being an "approved school " within the meaning of the statutes governing such practitioners in any State of the Union, circulate false and misleading statements to the effect that the earnings of a pedopractor and of a physlotherapist are from $6,000 to $10,000 and $3,000 to $5,000 yearly, respectively, that there is a great demand for such services, that many times the cost of the courses will be earned by practicing prior to graduation, and that the cost of the tuition will be refunded in the event that the student is dissatisfied with the course or with the money earned after completing the course; thereby deceiving the purchasing public into the erroneous belief that respondent will refund tuition fee upon request without requiring that application be made by registered mail, that respondent be convinced student honestly endeavored to complete the course, and that study material be returned within two weeks from time student finishes course, that there are no legal restrictions placed on practicing in any State, that there is a great demand for pedopractors and physiotherapists, and that earnings will be as set forth in the advertising matter.

Status : Awaiting trial.

American Radium Products Co. (Docket 1752.) Charge: That respondents, engaged in manufacture and sale of earthenware water jars purported to be lined with radium ore, circulate false and misleading statements to the effect that water remaining in the jug 24 hours will possess a degree of radioactivity

sufficient to make it of a quality equal to that of the famous "Well of Beauty," at Donje Bodne, Turkey, causing it to possess curative value in approximately 40 diseases, thereby deceiving the purchasing public into the erroneous belief that jars possess therapeutic properties.

Status: At issue.

Amiesite Asphalt Co. of America and others, Philadelphia. (Docket 2036.)

Charge: That respondents, engaged in the manufacture of "Amiesite," a road-paving material upon which the basic patent has expired, and with it respondents' right to legal monopoly over the product and the trade name, issued, immediately following the expiration of such rights, several hundred copies of form letters to public officials and private persons residing in localities in which former licensees of respondents now operating their own factories had built up a good business, alleging that unlicensed manufacturers of Amiesite, sometimes designating former licensees by name, were violating patents held by respondents and that persons purchasing therefrom would be liable to infringement suits; thereby tending to hinder and suppress free competition, to the prejudice of the public and respondents' competitors.

Status: At issue.

Ammunition Manufacturers Association and others, New York. (Docket 1973.) Charge: That respondents, manufacturers of ammunition, have adopted and employ a system for maintenance of uniform resale prices and arbitrary discounts and freight allowances, refusing to sell to mail-order houses and to jobbers who do not maintain the established resale prices, arbitrarily advancing the prices of products, guaranteeing jobbers against decline in price, and maintaining a system of espionage to induce the maintenance of the prices fixed, thereby tending to enhance the price of products and hinder and suppress free competition, to the prejudice of the public and of respondents' competitors.

Status: In course of trial.

Armand Co. (Inc.) and others, Des Moines. (Docket 1329.) Charge: That respondent Armand Co., engaged in manufacture of toilet articles and cosmetics, adopted and employs, together with respondent wholesalers and dealers, a system for maintenance of uniform resale prices, refusing to sell to dealers who do not maintain such prices, thereby tending to hinder and suppress free competition, to the prejudice of the public and of respondent's competitors.

Status: Before commission for final determination.

Armour & Co. and others, Chicago. (Docket 1423.) Charge: That respond-exits, manufacturers of soap, use the words "imported," "Dona Castile," "Stork Castile," "Carrara Sapon Catiglia," and "Broadway Bath Olive Castile " in labeling and advertising soap consisting in substantial part of vegetable oils and animal fats, in some instances to the practical exclusion of olive oil, thereby deceiving the purchasing public into the erroneous belief that certain of respondents' products a are imported and that all of the soap labeled "Castile " consists in preponderant part of olive oil.

Status: On suspense calendar to await decision of court of last resort in Docket 1110, in the matter of James S. Kirk & Co.

Armco Mills. (Docket 1920.) Charge: That respondent, engaged in manufacture of blankets having a wool content ranging from 1 to 40 per cent by weight, and sale thereof to jobbers and retailers, uses labels bearing the words "part wool" on blankets whose wool content does not exceed 5 per cent by weight, and labels bearing the words "guaranteed 100 per cent virgin stock-white wool and China cotton" on blankets whose wool content does not exceed 50 per cent by weight; thereby deceiving the purchasing public into the erroneous belief that the products contain a substantial proportion of wool.

Status: At issue.

Arnould, D., Co. (Docket 1907.) Charge: That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each and larger pieces and boxes of candy to be given as prizes to the purchasers who by chance select a piece having a center of a specified color; thereby sup plying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall

have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Arrow-Hart & Hegeman (Inc.), and others, Hartford, Conn. (Docket 1498.) Charge: Unlawful restraint and monopoly in that respondent Arrow-Hart & Hegeman (Inc.), engaged in manufacture of electric wiring devices, acquired share capital of Hart & Hegeman Manufacturing Co., and Arrow Electric Co., thereby tending to substantially lessen competition, restrain commerce, and create a monopoly, in alleged violation of section 7 of Clayton Act.

Status: In course of trial.

Badger Candy Co. Milwaukee. (Docket 1841.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale and retail dealers and jobbers, with pieces of candy and other merchandise to be given as prizes to purchaser of last piece of candy in assortment and to purchasers who by chance select a piece with the word "Winner" stamped thereon, thereby supplying and placing in the bands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for disposal of their products by such means.

Status: At issue.

Banfield, T. H., Berkeley, Calif. (Docket 2051.) Charge: That respondent, engaged in furnishing correspondence courses in secretarial duties and business and the sale of rebuilt typewriters, one of which is sold with each correspondence course, uses the trade name "Pacific Extension University," and represents that while the regular price of the course is from $251.50 to $295, varying with the amount handled through deferred payments, $120 being for tuition and the remainder for the typewriter and materials, a special offer is being made under the terms of which no charge is made for tuition and the amount of the deferred payments is turned into a "Student's Foundation," alleged to be designed to help students through the course of training, all correspondence relative to any delayed payments being sent out over the signature of the purported "Foundation," thereby deceiving the purchasing public into the erroneous belief that the regular price of the course exceeds the amount quoted in the "special offer " and that the tuition is being given free of charge, that a "Student's Foundation " has been established through which some of the money is used to aid students, and that the school is properly recognized and classified as a university.

Status: Awaiting answer.

Battle Creek Appliance Co. (Ltd.) and others, Battle Creek, Mich. (Docket 2017.) Charge: That respondents, engaged in the sale of medicines, pills, and salves for the treatment of goiter, circulate false and misleading statements in advertising matter relative to the curative properties of the products and the ease and safety with which they may be used, thereby deceiving the purchasing public into the erroneous belief that respondents' products are specifics for goiter, curing it at home with perfect safety within a few weeks' time, that they have been used effectively by 200,000 persons, and that they are indorsed by an "eminent Battle Creek goiter specialist," in a 44-page book.

Status: At Issue.

Belmont Candy Co., Memphis. (Docket 1861.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment of candies to be sold at 1 cent each, and larger pieces of candy and merchandise to be given as prizes to purchaser of last piece of candy and to purchasers who by chance select a piece having a center of a specified color; two assortments consisting of wrapped candies to be sold at prices ranging from 1 to 3 cents and from 1 to 5 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed in wrapper; and a fourth assortment consisting of wrapped packages containing candy and a balloon, to be sold at 5 cents each, certain of which have concealed within wrapper a slip of paper stating that such package is given free of charge to purchaser who by chance makes this selection, thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Bethlehem Steel Corporation and others, New York. (Docket 962.) Charge:
That respondent Bethlehem Steel Corporation, a holding corporation owning a controlling interest in the capital stock of a number of iron and steel compa-

nies, acquired properties, assets, and business of respondents Bethlehem Steel Corporation, Bethlehem Steel Co., Bethlehem Steel Bridge Corporation, Lackawanna Steel Co., Lackawanna Bridge Works Corporation, Midvale Steel & Ordnance Co., and Cambria Steel Co., and their subsidiaries; thereby tending to substantially lessen competition, contrary to public policy expressed in section 7 of Clayton Act, and to restrain trade contrary to public policy expressed in sections 1 and 3 of Sherman Act.

Status: In course of trial.

Billings-Chapin Co., Cleveland. (Docket 1733.) Charge: That respondent, a manufacturer of paints and varnishes, uses labels bearing the words "U. S. N. varnish"" and "U. S. N. deck paint," etc., together with a depiction of a United States battleship, the Navy colors, and marine scenes; thereby deceiving the purchasing public into the erroneous belief that respondent's products are manufactured in accordance with Government specifications..

Status: At issue.

Bird & Son (Inc.), East Walpole, Mass. (Docket 2042.) Charge: That respondent, engaged in the manufacture of paper products, advertises and sells laminated clipboard, a product used in making cardboard boxes, as and for laminated binders' board, a product used in making the covers of books ; thereby deceiving the purchasing public into the erroneous belief that the product purchased is binders' board, which possesses a greater tensile strength, a greater degree of coherence, and a greater resistance to moisture than does clipboard.

Status: At issue.

Blackhawk Candy Co., Davenport, Iowa. (Docket 1791.) Charge (see charge in Docket 1785, Minter Bros.).

Status: At issue.

Blatz Brewing Co., Milwaukee. (Docket 1990.) Charge: That respondent, engaged in the manufacture and sale of malt sirups containing no hops, made in United States of domestic ingredients, uses on labels and in advertising matter the phrase "Blatz Bohemian Malt Syrup" in large, conspicuous type, with the phrase "Made by Blatz Brewing Company, Milwaukee, Wisconsin" in relatively small inconspicuous type; thereby deceiving the purchasing public into the erroneous belief that respondent's products are either made in Bohemia or Czechoslovakia, or are made from ingredients imported therefrom.

Status: In course of trial.

Bleadon-Dun Co., Chicago. (Docket 1703.) Charge: That respondent, some-times trading as "The Vi-Tex Co.," a manufacturer of electric generators designated "Violetta," for use in the treatment of diseases, circulates false and misleading statements regarding regular price of appliance, free goods given therewith, and efficacy of appliance as a curative for some 86 ailments; thereby deceiving the purchasing public into the erroneous belief that respondent's product possesses curative properties in common with those possessed by the true violet-ray machine, and that a special, reduced price is being quoted.

Status : At issue.

Block Candy Co., Atlanta.(Docket 1956.)Charge (see charge in Docket 1804, Greenfields Sons, E (Inc.)

Status: At issue.

Blue Hill Candy Co., St. Louis. (Docket 1917.)Charge (see charge in Docket 1724, Voneiff-Drayer Co.)

Status : At issue.

Borg-Warner Corporation, Chicago. (Docket 1915.) Charge : Unlawful restraint and monopoly in that respondent, engaged in manufacture and sale of automobile equipment, acquired the stock of Norge Corporation, thereby acquiring the stock of the Detroit Gear & Machine Co., and through a company organized by respondent designated Short Manufacturing Co. acquired the stock of Long Manufacturing Co. and dissolved the company, afterwards changing the name of the Short Manufacturing Co. to that of Long Manufacturing Co.; thereby tending to substantially lessen competition, restrain commerce, and create a monopoly, in alleged violation of section 7 of Clayton Act.

Status : Awaiting final argument.

Brux Candy Co. and others, Newark, Ohio. (Docket 1892.) Charge (see charge in Docket 1772, Heidelberger Confectionery Co.).

Status : At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall

have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Bulova Watch Co., New York. (Docket 2043.) Charge: That respondent, engaged in the manufacture of watches, uses the words "Seventeen 17 Jewels," "Nineteen 19 Jewels," "Twenty-one 21 Jewels," "Adjusted," and "Adj." in branding and advertising watches which do not contain the stated number of jewels and that are not adjusted to certain conditions, thereby deceiving the purchasing public into the erroneous belief that respondent's watches contain the number of jewels stated, and are adjusted to heat, cold, isochronism, and position.

Status : Awaiting answer.

Bunte Bros. (Inc.), Chicago. (Docket 1811.) Charge (see charge in Docket 1789, Ludens (Inc.)

Status : At issue.

Candy Brands (Inc.), New York. (Docket 1982.) Charge: That respondent, engaged in manufacture of candy and the sale thereof to wholesale and retail dealers and jobbers, distributes assortments of candles to be sold at 1 cent each, with larger pieces of candy and/or other merchandise to be given as prizes to purchaser of the last piece in the assortment, and to purchasers who by chance select a piece of candy having a center of a specified color; thereby supplying and placing in hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Central Paint & Varnish Co. and others, Brooklyn. (Docket 1698.) Charge: That respondents, manufacturers of paint, use the words "lead," "zinc," "linseed oil," "purest paint," and "100 per cent pure " in labeling and advertising products containing inferior substitutes; thereby deceiving the purchasing pub-lie into the erroneous belief that respondents' products consist in substantial part of the ingredients designated.

Status : At issue.

Central Quilt & Mattress Mfg., Newark, N. Y. (Docket 1977.) Charge: That respondent, engaged in the manufacture of mattresses from secondhand and used materials, uses on labels and in advertising matter the statement "This article contains all new material"; thereby deceiving the purchasing public into the erroneous belief that respondent's products are composed entirely of clean, new material.

Status : Awaiting respondent's brief.

Champion Co., Springfield, Ohio. (Docket 2011.) Charge: That respondent, engaged in the manufacture of metal grave vaults, used as underground vaults for caskets, advertises that the vaults are waterproof, are made of rust-resisting noncorrosive metals, and are sold under a written guaranty, which consists of an offer to replace the vault if it is ever found to have admitted water or to have rusted or corroded, thereby deceiving the purchasing public into the erroneous belief that vaults manufactured by respondent are waterproof and rustproof, and that they will endure in perfect condition indefinitely.

Status : At issue.

Charms Co., Newark, N. J. (Docket 1800.) Charge (see charge in Docket 1785, Minter Bros.).

Status : At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by commission in a case involving methods of competition similar to those used by respondent.

Chatham Manufacturing Co., Winston-Salem, N. C. (Docket 1777.) Charge: That respondent, engaged in manufacture of blankets consisting of from 5 to 70 per cent wool, with less than 50 per cent for the most part, and sale thereof to jobbers and wholesale dealers, uses picture of three sheep in an oval as a trade-mark, and advertises and labels products as "part wool," "wool and cotton," and "wool mixed," thereby deceiving the purchasing public into the erroneous belief that respondent's products consist in substantial part of wool.

Status : Before commission for final determination.

Chicago Machine Tool Distributors and others, Chicago. (Docket 1882.) Charge: That respondents, engaged in manufacture of heavy machinery, have adopted and employ a system known as the Chicago appraisal plan, whereby an

appraisal made by any member on the used machinery to be turned in by a prospective customer must be communicated confidentially to a special clerk of the association, who enters description, amount, etc., assigns registration number, and calls member back, so that amount of the appraisal may be communicated to prospective purchaser, or in the event that a prior appraisal has been made by another member, clerk notifies member of the amount of such previous appraisal, so that a higher appraisal may be entered if desired, any such higher appraisal not to be communicated to prospective purchaser until 11 o'clock in the morning of the second working day after the raised appraisal price has been registered, during which time all members who have entered prior appraisals are notified by clerk, in each case, the member making the sale on the basis of the first appraisal filed to have the option of accepting and paying for the machinery or of allowing the original appraiser to accept it, but if an increased appraisal has been filed, the member filing the last increase is the only one privileged to accept any pay for the machinery regardless of what member made the sale, thereby tending to hinder and suppress free competition to the prejudice of the public and of respondents' competitors.

Status : Before commission for final determination.

Cincinnati Soap Co., Cincinnati. (Docket 1425.) Charge : That respondent, a manufacturer of soap, uses the words "Purity Castile," "Crown Castile," "Olive Castile," and "Fontaine Castile" in labeling and advertising soap consisting in substantial part of vegetable oils and animal fats, in some instances to the exclusion of olive oil, thereby deceiving the purchasing public into the erroneous belief that respondent's products consist in preponderant part of olive oil.

Status : On suspense calendar to await decision of court of last resort in Docket 1110, in matter of James S. Kirk & Co.

Clark Co., D. L., Pittsburgh. (Docket 1797.) Charge (see charge in Docket 1785, Minter Bros.).

Status : At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by commission in a case involving methods of competition similar to those used by respondent.

Clark Grave Vault Co., Columbus, Ohio. (Docket 2003.) Charge : That respondent, engaged in the manufacture of metal grave vaults used as underground vaults for caskets, advertises that the vaults are made of rust-resisting metals and after the sealing principle of the diving bell, that a test under 5,000 pounds of water has proven them waterproof, that a Clark grave vault has never rusted, corroded, or admitted water, that they last longer than concrete, stone, or brick vaults, and are sold under a 50-year written guaranty, publishes a reproduction of a purported letter from a mortician citing the purchase of six stone vaults, five of which, not being used immediately, went to pieces in a short time, and circulates purported reproductions of disinterred stone and concrete vaults apparently in bad condition, in contrast with purported reproductions of disinterred vaults manufactured by respondent, which are represented as being in perfect condition; thereby deceiving the purchasing public into the erroneous belief that the sealing process and the water test demonstrate that vaults manufactured by respondent are impervious to water, that no Clark vaults have been found to rust, corrode, and admit water, that they are scientifically constructed and will outlast stone or concrete vaults, and that they will endure in perfect condition for more than 50 years.

Status : At issue.

Collins Co., J. N., Philadelphia. (Docket 1875.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale and retail dealers, distributes an assortment consisting of pieces of candy to be sold at the rate of two for 1 cent, and larger pieces of candy to be given as prizes to purchaser of last piece of candy in assortment, and to purchasers who by chance select a piece of a specified color; thereby supplying and placing in hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Congo Pictures (Ltd.) and others, Hollywood, Calif. (Docket 1038.) Charge: That respondents, engaged in distribution of a motion picture designated "Ingagi," assembled from old authentic films of African travel and from

motion pictures of negroes living in Los Angeles, animals from the Los Angeles Zoo, trained animals used in many motion pictures, and one fictitious animal designated "tortadillo * * * decidedly scarce and when found too venomous even to handle * * * which will be carefully examined by experts in London, for they succeeded in bringing one of the animals home alive," which was made by affixing artificial wings and a tail to a turtle, which is shown with a sound lecture alleged to be given by Sir Hubert Winstead, circulate false and misleading statements relative to the authenticity of the picture; thereby deceiving the purchasing public into the erroneous belief that the pictures were taken in the heart of Africa by Sir Hubert Winstead, F. A. S. and F. R. G. S., eminent anthropologist, hunter, and explorer of London, England, who is in fact a fictitious person, and Capt. Daniel Swayne, an American hunter and museum collector, that the negro women are wild women, the children pygmies or half-breeds, and the animals half ape and half human believed by the alleged explorer to be the missing link."

Status : At issue.

Cook Paint & Varnish Co. and others, Kansas City. (Docket 1959.) Charge: That respondents, engaged in manufacture of varnish, shellac, paints, and wood filler, offer and give through respondent salesmen, Mark L. Jones, substantial sums of money to the employees of furniture manufacturers, without the knowledge and consent of the employers of said employees, as inducements to order or to recommend respondents' products, thereby diverting trade from competitors of respondents.

Status : At issue.

Cosmopolitan Candy Co., Chicago. (Docket 1858.) Charge: That respondent, engaged in manufacture of candy, distributes an assortment of candy eggs to wholesale dealers and jobbers, together with a punch board having an explanatory legend for use in connection with the sale thereof, the candy to be given as prizes to the customers who upon punching board, following the payment of 5 cents for the privilege of so doing, punch the last remaining hole in any one of the four sections, or any of the concealed numbers designated in the legend as prize numbers, thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Coumbe Co., S. C. and others, St. Paul. (Docket 1928.) Charge : That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes an assortment consisting of candy, together with a punch board having an explanatory legend, to be used in connection with the sale thereof, the candy to be given as prizes' to the customers who, upon punching board following the payment of 5 or 10 cents for the privilege of so doing, punch the last remaining hole in any section of the board or any of the concealed numbers designated in the legend as prize numbers, thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Curtiss Candy Co. and others, Chicago. (Docket 1853.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale and retail dealers and jobbers, distributes one assortment consisting of wrapped pieces of candy to be sold at prices ranging from 1 to 3 cents, purchaser to pay whatever sum is set forth on a slip of paper concealed within wrapper; and another assortment consisting of wrapped pieces of candy to be sold at 5 cents each, certain of which have concealed within wrapper a slip of paper stating that such piece is given free of charge to purchasers who by chance make this selection; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Diamond Fur Industries, Inglewood, Calif. (Docket 2020.) Charge : That respondent engaged in the breeding and sale of fur-bearing rabbits designated

"Diamond Chinchilla," enters into a "Market Agreement and Contract" with purchasers,. wherein respondent agrees to buy from the purchaser all stock raised from the original stock purchased and all descendants therefrom at prices set forth in the contract, which prices range from $4 to $12 per pair and from $2 to $7.50 per pair, according to the weight and breed, thereby deceiving the purchasing public into the erroneous belief that a ready market will always be available at the prices set forth in the contract.

Status : Awaiting trial.

Dilling & Co., Indianapolis. (Docket 1867.) Charge (see charge in Docket 1724, Voneiff-Drayer Co.)

Status: At issue.

Dorman Mills, Parsons, W. Va. (Docket 1877.) Charge : That respondent, engaged in manufacture of blankets and sale thereof to jobbers and retailers, uses the words "part wool," without any indication as to the percentage of wool, on labels and in advertising matter descriptive of blankets that are com-posed of wool varying from 6 per cent by weight to 50 per cent by weight; thereby deceiving the purchasing public into the erroneous belief that the product contains a substantial proportion of wool.

Status: At issue.

Drollinger, Howard B., New York. (Docket 1868.) Charge : That respondent, manufacturer of an electrical device, circulates false and misleading statements relative to the scientific nature of the device, its effectiveness in the treatment of over 30 listed diseases, and the success with which it was used by Dr. S. C. Drollinger as recently as July, 1929; thereby deceiving the purchasing public into the erroneous belief that Doctor Drollinger was alive and using the device as late as 1929, that it is a new, scientific invention, and that it has therapeutic value.

Status : At issue.

Edison Unit Sales Co., New York. (Docket 1986.) Charge : That respondent, engaged in the sale of electric-light fixtures not invented, patented, owned, controlled, or manufactured by Thomas A. Edison, uses the word "Edison " in firm name and in advertising matter; thereby deceiving the purchasing public into the erroneous belief that respondent is affiliated with Thomas A. Edison, is licensed by Thomas A. Edison or by some firm affiliated therewith, or is selling products invented, patented, controlled, owned, or manufactured by Thomas A. Edison.

Status : Awaiting commission's brief.

Efansee Hat Co. (Inc.), New York. (Docket 2050.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status : Awaiting answer.

Elbee Chocolate Co. (Inc.), New York. (Docket 1804.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes two assortments of candies to be sold at 1 cent each with packages of candy to be given as prizes to purchaser of last piece of candy in assortment and to purchasers who by chance select a piece of candy having a center of a specified color or having a center consisting of two pea-shaped green candies; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Elmer Candy Co., New Orleans. (Docket 1788.) Charge (see charge in Docket 1772, Heidelberger Confectionery Co.).

Status : At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Euclid Candy Co., New York. (Docket 1794.) Charge (see charge in Docket 1785, Minter Bros.).

Status : At issue.

Excelsior Hat Works, Jersey City (Docket 2046.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status : Awaiting answer.

Export Petroleum Co. of California (Ltd.), Los Angeles. (Docket 1969.) Charge: That respondent, engaged in the exportation of gasoline, places 9.6 United States gallons, or other quantity less than 10 gallons, in cases containing two standard size 5-gallon cans, some of which containers are marked "2/5-gallon tins " and some of which cans are stamped "5 U. S. gallons," the content per case being indicated on quotation blanks and invoices, but commodity being charged for by the case, thereby tending to bring into disrepute exporters of United States products who furnish foreign customers with goods in the amounts indicated on the containers thereof, in alleged violation of section 4 of the export trade act.

Status : At issue.

Farber Bros., New York. (Docket 2024.) Charge : That respondent, engaged in the manufacture of plated hollow ware, some of which is designated "Futura," uses the word "Silvercraft" in branding products containing no silver and having no plating of sliver, and in advertising matter descriptive thereof, thereby deceiving the purchasing public into the erroneous belief that all of respondent's products are composed of silver or are silver plated.

Status : Awaiting respondent's brief.

Fatato, L. (Inc.), Brooklyn. (Docket 2029.) Charge : That respondent, a wholesale grocer, uses on cans of tomato paste made for him from domestic-grown tomatoes, including the Italian tomato, "Vignette," labels bearing the trade name "Posillipo Tomato Paste, Naples Style," together with certain Italian words and Italian scenes, which simulates the trade name "Posillipo Brand Tomato Paste" used to designate an imported product manufactured by competitors of respondent, thereby deceiving the purchasing public into the erroneous belief that respondent's product is made exclusively of the vignette tomato grown in Italy.

Status : At issue.

Fishback Candies (Inc.), Indianapolis. (Docket 1962.) Charge (see charge in Docket 1724, Voneiff-Drayer Co.).

Status : At issue.

Fleck Cigar Co., Reading, Pa. (Docket 1453.) Charge : That respondent, a manufacturer of cigars, uses the words "Rose-O-Cuba" and "Habana " on bands and labels of cigars containing no Cuban tobacco, thereby deceiving the purchasing public into the erroneous belief that respondent's products are made of tobacco grown on the island of Cuba.

Status : At issue.

Fleer Corporation, Frank H., Philadelphia. (Docket 1832.) Charge : That respondent, engaged in manufacture of chewing gum and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes four different assortments consisting of wrapped pieces of gum to be sold at 1 cent each, and other packages of gum to be given as prizes to purchasers who by chance select a piece of a specified color, and in case of one assortment, to be given as a prize to purchaser of last piece of gum in assortment; also a fifth assortment consisting of wrapped pieces of gum to he sold at 1 cent each, and pieces of gum to be given as prizes to purchasers who by chance select a piece of a specified color, a piece of merchandise to be given as a prize to purchaser who by chance selects pieces having concealed within wrappers pictures of such parts of a piece of merchandise pictured on outside of cover, as will enable him to form a completed picture of the article, which is sent to him as a prize upon receipt by respondent of such pieces pasted in completed form; and a sixth assortment consisting of pieces of gum to be sold at 5 cents each, a prize to be mailed to purchaser who by chance selects pieces by means of which he can complete a picture, as in fifth assortment; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status; At issue.

Fleischmann Co. and others, New York. (Docket 1989.) Charge : That respondents, engaged in the manufacture of "Fleischmann's Yeast," use paid testimonials and endorsements from prominent individuals, use testimonials that have been submitted in response to prize offers, and use paid testimonials given by individuals in lowly walks of life accompanied by pictures of such individuals posed in clothing furnished by respondents and in such surround-

ings as would indicate them to be persons of wealth and social prominence; thereby deceiving the purchasing public into the erroneous belief that the testimonials are voluntary expressions of opinion as to the value of the product, and that the pictures reflect the surroundings of the indorser.

Status : At issue.

Gallon Metallic Vault Co., Gallon, Ohio. (Docket 2002.) Charge: That respondent, engaged in the manufacture of metal grave vaults designated "Cryptorium," used as underground vaults for caskets, advertises that the vaults are made of bronze and Armco Ingot Iron, the latter having been treated by chemical and metallurgical processes to prevent rusting and corrosion, and that the manufacturers are in a position to furnish a written certificate guaranteeing the casket and its contents will be undefiled the same at the end of 50 years as on the day of interment in the Cryptorium, this guaranty consisting of an offer to replace the vault if it is ever found to have admitted water or to have rusted or corroded, uses statements to the effect that wood, masonry, and concrete afford but little protection, and circulates purported reproductions of disinterred stone and concrete vaults apparently in bad condition, in contrast with purported reproductions of disinterred vaults manufactured by respondent, which are represented as being in perfect condition; thereby deceiving the purchasing public into the erroneous belief that the material from which the vaults manufactured by respondent are made have been subjected to a special treatment that will prevent rusting and corrosion, that they are impervious to moisture and proof against the ravages of time and the elements of decay, and that it has been scientifically demonstrated that they will endure in perfect condition for more than 50 years.

Status : At issue.

Geliman Bros., Minneapolis. (Docket 1880.) Charge : That respondent, en-gaged in sale of general merchandise, distributes to retail dealers various pieces of merchandise, together with punch boards having explanatory legends to be used in connection with the sale thereof, the merchandise to be given as prizes to the customers who, upon punching boards following payment of 5 or 10 cents for the privilege of so doing, punch the last remaining hole in the board or any of the concealed numbers designated in the legend as prize numbers, some of the boards giving a certain number of free punches, some charging the amount of the number punched in each case from 1 to 22, all above that to cost 22 cents, and some paying winners single on a 5-cent punch and double on a 10-cent punch, thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Gennet, Jacob, Newark, N. J. (Docket 1970.) Charge : That respondent, engaged in the manufacture of mattresses from secondhand and used materials, uses on labels and in advertising matter the statement, "This article contains all new material," thereby deceiving the purchasing public into the erroneous belief that respondent's products are composed entirely of clean, new material.

Status: Awaiting final argument.

Gilman Hat Co., New York. (Docket 1895.) Charge : That respondent, engaged in purchase of used felt hats for men, sells same after renovation to wholesale dealers and jobbers without indicating in any way that such are secondhand or used hats, thereby deceiving retailers and the purchasing public into the erroneous belief that such hats are new and unused.

Status : In course of trial.

Globe Hat Works, New York. (Docket 1896.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status : In course of trial.

Globe Soap Co., Cincinnati. (Docket 1424.) Charge: That respondent, a manufacturer of soap, uses the words "Castile " and "Lion Castile" in labeling and advertising soap consisting in substantial part of vegetable oils and animal fats, in some instances to the exclusion of olive oil, thereby deceiving the purchasing public into the erroneous belief that respondent's products consist in preponderant part of olive oil.

Status : On suspense calendar to await decision of court of last resort in Docket 1110, in the matter of James S. Kirk & Co.

Goldenberg, D. (Inc.), Philadelphia. (Docket 1810.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment of candies to be sold at 1 cent each and larger pieces of candy and other articles of merchandise to be given as prizes to purchaser of last piece of candy in assortment and to purchasers who by chance select a piece having a center of a specified color; and another assortment consisting of wrapped candies to be sold at prices ranging from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper, thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Grand Hat Co., New York. (Docket 1901.) Charge : That respondent, engaged in purchase of used felt hats for men, sells same after renovation to wholesale dealers and jobbers without indicating in any way that such are secondhand or used hats, and designates certain of the hats, for which a higher price is quoted, as hats made by John B. Stetson Co. or by other manufacturers of high-grade hats, thereby deceiving retailers and the purchasing public into the erroneous belief that such hats are new and unused and have been manufactured by the companies designated.

Status: In course of trial.

Great Northern Fur Dyeing & Dressing Co. (Inc.) and others, Long Island, N. Y. (Docket 2035.) Charge : That respondent Great Northern Fur Dyeing & Dressing Co. engaged in the dressing and dyeing of rabbit skins to simulate seal, for respondent Brickner & Bernfeld (Inc.), who imports them from Australia and New Zealand, stamps the best grade skins with the trade-mark "Bonded Northern Seal," the second-grade skins with the trade-mark "Northern Seal," and the third-grade skins with the trade-mark "Golden Seal" or "Ideal-Belgian," each stamp bearing the words "Seal Dyed Coney" in small, inconspicuous type some distance from or below the trade-mark, and with every 50 skins, the number required for each fur garment, furnishes a label bearing the same words; respondent Brickner & Bernfeld sells the skins so stamped, and designated by them as "Sealines," together with posters and labels, to manufacturers of fur garments, including respondent Kutik Bros., who make the skins into fur garments, arranging that portion of the lining usually ripped to show the stamped skins will expose the trade-mark without exposing the words "Seal Dyed Coney," thereby deceiving the purchasing public into the erroneous belief that the garments are made of sealskins.

Status : Awaiting answer.

Guarantee Veterinary Co. and others, Sioux City, Iowa. (Docket 1992.) Charge : That respondent, engaged in the manufacture and sale of salt blocks designated "Sal-Tonik," containing from 75 to 85 per cent of common salt and from 15 to 25 per cent alleged medicinal ingredients, circulates false and mis leading statements relative to the curative properties of the product, and cites the ownership of letters patent in the United States and Canada as indicative of the indorsement of those Governments, thereby deceiving the purchasing public into the erroneous belief that respondent's product is an effective therapeutic agent in the treatment of certain diseased conditions in livestock, and that the issuance of letters patent indicates recognition of the merits of the product on the part of the Governments issuing such letters.

Status : Awaiting answer.

Guerlin, Arthur (Inc.), New York. (Docket 2015.) Charge : That respondent, engaged in the sale of perfumes, toilet preparations, toilet articles, and jewelry, uses the words "Arthur Guerlin, Paris, New York," on containers of toilet preparations of inferior quality manufactured in the United States, and on containers of imitation pearls manufactured in Japan, thereby deceiving the purchasing public into the erroneous belief that respondent's products are imported from France and are manufactured by Guerlain (Inc.).

Status : Awaiting answer.

Gutman Bros. and others, New York. (Docket 1871.) Charge : That respondents, engaged in sale of chewing gum, together with explanatory display cards, to wholesale dealers and jobbers, distribute an assortment consisting of wrapped pieces of gum to be sold at 1 cent each and larger pieces of gum

and/or other merchandise to be given as prizes to the purchaser of the last piece of gum in the assortment, and to purchasers who by chance select a piece of gum of a specified color, thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

H. & H. Hat Manufacturing Co., New York. (Docket 1903.) Charge: (see charge in Docket 1895, Gilman Hat Co.).

Status : in course of trial.

Hamilton & Sons, W. C., Miquon, Pa. (Docket 1074.) Charge : That respondent, engaged in the manufacture of paper and the sale thereof to jobbers, printers, and publishers, uses the words "hand laid" to designate paper made and finished by machinery, thereby deceiving the purchasing public into the erroneous belief that respondent's products are made and finished by hand.

Status : At issue.

Hammer Laboratories (Inc.), Denver. (Docket 2041.) Charge: That respondents, engaged in the manufacture of radioactive products, including "Radium Water Activator" and "Radium Ore Bar," pieces of alleged ore, "Radiumar Ointment," "Radiumar Cosmetics," "Bathettes," "Radium-Antitox, Medicated," "Hammer Antiseptic Radium Suppositories." and "Hammer Standard Radium Pads," none of which contain radium in sufficient quantities to be effective as therapeutic agents, circulates false and misleading statements to the effect that the immersion of "Radium Water Activator " and "Radium Ore Bar" in water for 12 hours will impart to the water sufficient radio activity to cure or give relief in twelve listed disorders, including gall-bladder trouble and high blood pressure, that "Radium Ointment" is a genuine radium product for external use, containing radium and seven other valuable medicaments, that the radium content of "Radiumar Cosmetics" causes them to penetrate through the skin and to correct disorders not reached by other cosmetics, and that the radium content of "Radium Antitox, Medicated," "Hammer Antiseptic Radium Suppositories," and "Hammer Standard Radium Pads" gives them a therapeutic value in the treatment of certain disorders not possessed by similar commodities containing no radium; thereby deceiving the purchasing public into the erroneous belief that respondent's products possess a definite, reliable therapeutic value by virtue of the radium content.

Status : Awaiting answer.

Hardie Bros. Co., Pittsburgh. (Docket 1786.) Charge (see charge in Docket 1772, Heidelberger Confectionery Co.).

Status : At issue.

Harlin Hat Co., New York. (Docket 2049.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status : Awaiting answer.

Harris, M., Philadelphia. (Docket 2027.) Charge : That respondent, en-gaged in the assembling of fountain pens, the parts of which are manufactured or purchased, and the sale thereof to, or through, department, drug, and cigar stores, uses the words "Shafner Lifetime Pens" and "Genuine Shafner Lifetime Pens" to designate such pens, which are of inferior quality and sold by respondent for $9 per dozen, and furnishes advertising mats for use by purchaser, containing statements to the effect that the pens are "Discontinued Colors of Genuine Shafner Lifetime Guaranteed $5.00 Self-filling Fountain Pens on sale at $1.00" that they have a "14-K. solid gold iridium point which can not be bought for less than $1.75 alone," that the supply is limited, and that the lifetime guarantee certificate insures the giving of a new pen or repair of the old in case of dissatisfaction upon the receipt of pen at the address of respondent, together with 25 cents in stamps to cover packing and postage; thereby deceiving the purchasing public into the erroneous belief that the pens are the favorably known pens manufactured by the W. A. Sheaffer Pen Co. and are protected by that company's "Lifetime Guarantee," and that the prices quoted are special, reduced prices in effect for a limited time only.

Status : At issue.

Havatampa Cigar Co., Tampa, Fla. (Docket 1465.) Charge : That respondent, a manufacturer of cigars composed in substantial part of tobacco grown elsewhere than on the island of Cuba, uses the words "Hoyo de Cuba" on cigar bands and containers, and the words "Havana," "Habana," "Mild

Havana," and "Mild Habana" on containers of cigars; thereby deceiving the purchasing public into the erroneous belief that respondent's products are made entirely of tobacco grown on the island of Cuba.

Status : At issue.

Headley Chocolate Co., Baltimore. (Docket 1803.) Charge (see charge in Docket 1789, Luden's (Inc.).

Status : At issue.

Health-Mor Sanitation Systems (Inc.) and others, Chicago. (Docket 2054.) Charge: That respondents, engaged in the sale of a vacuum cleaner, which simulates the vacuum cleaners of competitors as to trademarks, trade name, mechanical parts, boxing, packing, labeling, and printing, designated "Health Mor," "Health-Mor Sanitation System," and "Sanitation System," which is manufactured for them by P. A. Geier Co., represent to individuals who have purchased competitors' products on the installment plan, that respondents' agents are agents of competitors who have delivered the wrong kind of cleaner, that respondents' cleaner is an improved model of the one formerly purchased, that the contracts for the other cleaners can not be enforced, and that competitors are going out of business so that parts for the machines contracted for can not be procured, and send agents to answer competitors' advertisements in an effort to destroy the morale of competitors' sales force, disrupt their meetings, and disparage competitors; thereby deceiving the purchasing public into the erroneous belief that respondents' product is an improved model of competitors' cleaner, that contracts of sale for competitors' products are not enforceable, that separate parts of the machines contracted for will not be procurable, and that respondents are associated or identical with competitors.

Status : Awaiting answer.

Hecht, Cohen & Co., Chicago. (Docket 1855.) Charge: That respondent, engaged in the sale of general merchandise, distributes to retail dealers various pieces of merchandise, together with punch hoards having explanatory legends to be used in connection with the sale thereof, the merchandise to be given as prizes to the customers who, upon punching board following payment of 5 or 10 cents for the privilege of so doing, punch the last remaining hole in the board or any of the concealed numbers designated in the legend as prize numbers, the merchandise in each case exceeding in value the price paid for the privilege or using the board; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Heidelberger Confectionery Co., Philadelphia. (Docket 1772.) Charge: That respondent, engaged in manufacture of candy, and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each, together with larger pieces of candy and/or other merchandise to be given as prizes to purchasers who by chance select a piece having a center of a specified color; thereby supplying and placing in hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Henry Co., DeWitt P., Philadelphia. (Docket 1818.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment of candles to be sold at 1 cent each, and larger pieces of candy and other articles of merchandise to be given as prizes to purchaser of last piece of candy and to purchasers who by chance select a piece having a center of a specified color; another assortment consisting of wrapped candles to be sold at prices ranging from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; and a third assortment consisting of wrapped candles to be sold at 5 cents each, with larger pieces or boxes of candy to be given to purchaser of last piece of candy in assortment, and to purchasers who by chance select a piece having a printed slip of paper concealed within wrapper designating a certain prize; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Hercules Food Products Co., Cincinnati. (Docket 2039.) Charge: That respondent, engaged in the manufacture of malt sirups, uses labels bearing the words "Warren's Cracker Jack Pure Barley Malt Extract," "Warren's Hop Flavored Pale Malt Philadelphia Extract," and "Warren's Original B-K Malt Extract," and uses cartons bearing the words "Warren's Cracker Jack Pure Barley Malt Extract" and "Cracker Jack Pure Barley Malt Extract," the words "Malt Extract " being in large conspicuous letters in each ease; thereby deceiving the purchasing public into the erroneous belief that respondent's malt sirups are malt extracts.

Status : Awaiting answer.

Herman Hat Co., New York. (Docket 1904.) Charge (see charge in Docket 1985, Gilman Hat Co.).

Status : In course of trial.

Hires Turner Glass Co., Philadelphia. (Docket 1985.) Charge : That respondent, engaged in the manufacture of mirrors, uses the terms "Copper back mirrors," "Copper backed mirrors," and "Mirrors backed with copper" to designate mirrors made by applying with a brush a mixture of copper dust and shellac over a coating of silver; thereby deceiving the purchasing public into the erroneous belief that the mirrors so designated are backed with a continuous sheath of solid copper or with the copper deposited thereon by electrolysis, mirrors so treated selling for a higher price, as they are not subject to deterioration as are the mirrors made by the method used by respondent.

Status : In course of trial.

Hoover Suction Sweeper Co., North Canton, Ohio. (Docket 238.) Charge: That respondent, engaged in manufacture and sale of vacuum sweepers, offers gratuities to employees of competitors and employees of dealers handling products of competitors as an inducement to influence them to favor sale of respondent's products over those of its competitors; thereby tending to injure competitors who do not offer such gratuities.

Status: Order to cease and desist, entered May 27, 1919, was vacated by commission order dated May 12, 1928, and case is now before commission for consideration looking forward to issuance of modified order to cease and desist.

Hoyt Bros. (Inc.), Newark, N. J. (Docket 1510.) Charge: That respondent, manufacturing a general line of pharmaceuticals, cosmetics, toilet preparations, and soaps, uses the word "Castile" in labeling soap consisting in substantial part of vegetable oils and animal fats, in some instances to the practical exclusion of olive oil; thereby deceiving the purchasing public into the erroneous belief that soap so labeled consists in preponderant part of olive oil.

Status : On suspense calendar to await decision in Docket 1110, in matter of James S. Kirk & Co.

Hughes, E Griffiths (Inc.), Rochester, N. Y. (Docket 1966.) Charge : That respondent, engaged in the sale of bath and alleged reducing salts designated "Radox," "Radox Bath Salts," and "Kruschen Salts," made in the United States, uses the phrases "Right from England," "Combines the same valuable properties of the world-famous Spas of Marienbad, Carlsbad, and Vichy," "Here's the recipe that banishes fat," "Oxygen is liberated--enlivening and gloriously stimulating the entire body," "Tired, fidgety nerves are quieted," etc., in advertising matter and/or on labels descriptive of the product; thereby deceiving the purchasing public into the erroneous belief that the products have therapeutic value, reducing flesh and producing the same effects as treatments at various medical spas, and that they are manufactured in England or are made of ingredients imported therefrom.

Status: In course of trial. A petition filed by respondent in Supreme Court of the District of Columbia, to enjoin commission from giving further publicity to complaint, was dismissed by that court and is now pending in the Court of Appeals of the District of Columbia on further appeal by respondent.

International Gum Corporation, Watertown, Mass. (Docket 1799.) Charge: That respondent, engaged in manufacture of chewing gum and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped pieces of chewing gum to be sold at 1 cent each and larger pieces of chewing gum and other pieces of merchandise to be given as prizes to purchaser of last piece of gum in assortment and to purchasers who by chance select a piece of a specified color; thereby

supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that may he entered by commission after a United States court shall have affirmed an order entered by commission in a case involving methods of competition similar to those used by respondent.

Ironized Yeast Co., Atlanta. (Docket 1972.) Charge: That respondent, en-gaged in the sale of tablets designated "Ironized Yeast," circulates false and misleading statements relative to curative and weight-increasing properties of the product, using photographs in connection therewith which purport to show the users of respondent's tablets before and after treatment, and promising to refund purchase price to any dissatisfied users; thereby deceiving the purchasing public into the erroneous belief that respondent's product contains a sufficient quantity of iron and yeast to be effective when used as respondent recommends in eases requiring the use of iron or of yeast, and that it will cure indigestion, constipation, rheumatism, and nervousness, will purify the blood and build weight; that the pictures used in connection with testimonials are pictures of the persons giving the testimonials and are representative of their physical appearance before and after using the tablets, and that the refund is for the cost of the entire treatment if such is unsatisfactory, rather than for the cost of the first package only.

Status: At issue.

Jeffrey Jewelry Co., Chicago. (Docket 2004.) Charge: That respondent, engaged in the manufacture of jewelry, uses the words "Indian" and "Navajo," together with pictures suggestive of Indians, to designate machine-made jewelry; thereby deceiving the purchasing public into the erroneous belief that respondent's products are made by the Navajo Indians or by members of other tribes of American Indians.

Status: At issue.

Johnson Candy Co., Walter H., Chicago. (Docket 1817.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment consisting of wrapped pieces of candy to be sold at prices ranging from 1 to 5 cents, and a similar assortment to be sold at prices ranging from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper, and a third assortment consisting of wrapped candies to be sold at 5 cents each, certain of which have concealed within wrapper a slip of paper stating that such piece is given free of charge to purchaser who by chance makes this selection; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Johnson-Fluker Co., Atlanta. (Docket 1831.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment of candies to be sold at 1 cent each and larger pieces of candy and other articles of merchandise to be given as prizes to purchaser of last piece of candy in assortment and to purchasers who by chance select a piece having a center of a specified color; a second assortment consisting of wrapped pieces of candy to he sold at prices ranging from 1 to 5 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; and a third assortment of wrapped pieces of candy to be sold at prices ranging from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make pro-vision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Jordeau, Jean (Inc.) and others, South Orange, N. J. (Docket 2012.) Charge: That respondent Jean Jordeau (Inc.), engaged in the manufacture of wax and cream depilatories designated "Zip," and respondent Bertha E Levy,

engaged in the sale thereof, circulate false and misleading statements in advertising relative to the efficiency of the product and the ease and safety with which it may be used; thereby deceiving the purchasing public into the erroneous belief that the depilatories manufactured by respondent quickly and permanently remove superfluous hair by destroying the roots, and that they are harmless and are pleasant to use.

Status: At issue.

K. & S. Sales Co. Chicago. (Docket 1857.) Charge (see charge in Docket 1855, Hecht, Cohen & Co.).

Status: At issue.

Karcher Candy Co., A., Little Rock, Ark. (Docket 1849.) Charge (see charge in Docket 1772, Heidelberger Confectionery Co.).

Status: At issue.

Lee, Nancy, and others, New York. (Docket 1996.) Charge: That respondent engaged in the sale by mail orders of a cream designated " Miracle Developing Cream" under the trade name of Nancy Lee," and a cream designated Dermo Cream" under the trade name of " Mary Titus," uses fictitious testimonials with photographs purporting to show the users of respondent's cream before and after treatment, and circulates false and misleading statements in letters and in advertising matter relative to the results to be obtained from the use of respondent's products; thereby deceiving the purchasing public into the erroneous belief that a woman is connected with the management of the business, that the creams are tissue developers, that the testimonials are voluntary expressions of opinion as to the value of respondent's products, and that the pictures are representative of the user's appearance before and after treatment.

Status: In course of trial.

Lewis & Sons, Edgar P. (Inc.), Boston. (Docket 1813.) Charge (see charge in Docket 1789, Luden's (Inc.).

Status: At issue.

Lewis Bros. (Inc.), Newark, N. J. (Docket 1761.) Charge (see charge in Docket 1724, Voneiff-Drayer Co.).

Status: At issue.

Libbey Co., W. S., Lewiston, Me. (Docket 1824.) Charge: That respondent, engaged in manufacture of blankets and sale thereof to jobbers and retail dealers through a sales agency in New York, uses the trade name "Golden Fleece," and labels and advertises blankets not containing over 5 per cent of wool as woolen blankets, sometimes using the words "part wool," together with a picture representing Jason setting forth on his quest of the "Golden Fleece"; thereby deceiving the purchasing public into the erroneous belief that respondent's products consist in substantial part of wool.

Status: At issue.

Limoges China Co. and others, Sebring, Ohio. (Docket 1570.) Charge: That respondents, manufacturers of earthenware, chinaware, porcelainware, and pottery, advise competitors by letter that respondents have pending an application for a patent covering transparent yellow glazeware and that the manufacture of such ware is an infringement of their rights and that they intend to prosecute all infringers, and insert in trade magazines advertisements headed "Warning," stating in effect that respondents have a patent pending upon transparent yellow glazeware, and advising purchasers to insist upon manufacturers furnishing bond sufficient to cover any liability purchasers might incur; thereby deceiving the purchasing public into the erroneous belief that respondents have patents on such ware or have applications pending.

Status: in course of trial.

Limoges China Co., Sebring, Ohio. (Docket 1912.) Charge: That respondent, engaged in manufacture of earthenware and porcelain and sale thereof to wholesale and retail dealers, uses the word "Limoges" in corporate name and in advertising matter, thereby deceiving the purchasing public into the erroneous belief that respondent's products. are manufactured in Limoges, France.

Status: Before the commission for final determination.

Lion Manufacturing Co., Chicago. (Docket 1856.) Charge: That respondent, engaged in sale of general merchandise, uses the words "Indian blankets," "Cherokee," and "part-wool Indian blankets" to designate factory-made blankets, and distributes to retail dealers various pieces of merchandise, together

with punch boards having explanatory legends, to be used in connection with the sale thereof, the merchandise to be given as prizes to the customers who, upon punching board following the payment of 5 or 10 cents for the privilege of so doing, punch any of the concealed numbers designated in the legend as prize numbers, the merchandise in each case exceeding in value the price paid for the privilege of using the board, thereby deceiving the purchasing public into the erroneous belief that the blankets are hand loomed by Indians, supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Luden's (Inc.), Reading, Pa. (Docket 1789.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each, and larger pieces of candy and other pieces of merchandise to be given as prizes to purchaser of last piece of candy in assortment, and to purchasers who by chance select a piece having a center of a specified color; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Madison Mills (Inc.), New York. (Docket 1999.) Charge: That at respondent, engaged in the sale of men's shirts, uses the words "Satin Striped Broadcloth Shirts," "Satin Ribbed Radioux Shirts," "Navarre Flannel Shirts," and "English Broadcloth Shirts" in advertising matter to designate cotton or cotton and rayon shirts made in the United States; thereby deceiving the purchasing public into the erroneous belief that respondent's products contain silk or wool, or are made from cloth imported from England.

Status: Awaiting trial.

Maf Hat Works (Inc.), New York. (Docket 1897.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status: In course of trial.

Magnecoil Co. (Inc.), Salt Lake City. (Docket 1846.) Charge: That respondent, a manufacturer of electric blankets, circulates false and misleading statements regarding their indorsement by institutions of medical and scientific research, the laboratories and consulting boards of medical experts maintained by respondent, and the cures effected by their use as a cover for the human body, thereby deceiving the purchasing public into the erroneous belief that respondent operates a large factory with a laboratory and a consulting staff of medical experts, and that respondent's products have therapeutic value in addition to their value by reason of the heat generated.

Status: At issue.

Maisel Trading Post (Inc.), Albuquerque, N. Mex. (Docket 2037.) Charge: That respondent, engaged in the manufacture of silver jewelry, uses the words "Indian Made" and "Navajo" to designate machine-made jewelry produced by Indian workmen under white foremen, thereby deceiving the purchasing public into the erroneous belief that respondent's products are the handicraft of the Navajo or other American Indians.

Status: At issue.

Manhattan Hat Co. (Inc.), New York. (Docket 1898.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status: In course of trial.

Margareiha, Pasquale, New York. (Docket 1790.) Charge (see charge in Docket 1789. Luden's (Inc.).

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Mayers Co., L. & C. (Inc), New York. (Docket 2038.) Charge: That respondent, engaged in the retailing of jewelry through mail-order catalogues, uses in such catalogues the words "wholesale jewelers," and quotes in connection with each item certain prices designated "list prices," with a statement that these prices are " subject to a dealer's discount of 50% and an additional cash discount of 6% on the remaining 50%," the price arrived at in this manner,

a discount of 53% from the so-called "list price," being in truth the price customarily charged by respondent, thereby deceiving the purchasing public into the erroneous belief that respondent is a wholesale dealer, and that the purchaser is being given advantage of the discount allowed the retail dealer.

Status: Awaiting answer.

Mells Manufacturing Co., New York. (Docket 1870.) Charge: That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes an assortment consisting of wrapped pieces of candy to be sold at 1 cent each, together with a certain number of slips of paper bearing the word "lucky," to be concealed within the wrapper of some of the pieces of candy before sale to the ultimate consumer, and other pieces of candy to be given as prizes to the purchasers of the pieces having concealed within the wrapper the "lucky" slip, thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Menke Grocery Co., Kansas City. (Docket 1993.) Charge: That respondent, engaged in the sale of groceries, imitation extracts, and certain livestock remedies designated "Chickena" and "Lion Brand Stock Powder" by mail and through house-to-house canvassers, uses the terms "Wholesale Grocers" and "United States Food Administration License G-30152" on letterheads, order blanks, and in other trade literature, and makes, through his agents, false and misleading misrepresentations relative to the qualify and conditions of sale thereby deceiving the purchasing public into that erroneous belief that respondent is a wholesale dealer, that the extracts are pure and genuine, that the remedies for chickens and livestock possess the therapeutic properties indicated on the labels, that invariably goods will be shipped upon receipt of the purchase price, that goods will be as represented by the sample, that shipping charges will be prepaid, and that the purchase price will be refunded should goods prove to be unsatisfactory.

Status: Awaiting respondent's brief.

Metro Chocolate Co. (Inc.), New York. (Docket 1808.) Charge (see charge in Docket 1789, Luden's (Inc.).

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Michelsen Co., H. (Inc), New York. (Docket 2033.) Charge: That respondent, engaged in the manufacture of domestic bay rum in the city of New York, uses labels bearing the words "H. Michelsen, St. Thomas, West Indies," with the words "The H. Michelsen Co., New York, Sole Agent for the North American Continent," in smaller type below, uses bottles into the bottom of which is blown the legend "H. Michelsen-Bay Rum-St. Thomas," and uses packing boxes bearing the words "H. Michelsen, St. Thomas, W. I.," thereby deceiving the purchasing public into that erroneous belief that the bay rum sold by respondent is imported from St. Thomas, Virgin Islands, West Indies.

Status: Awaiting trial.

Minimax Co., Chicago. (Docket 2052.) Charge: That respondent, engaged in the manufacture and sale directly to dentists of dental amalgam alloys, uses in advertising matter charts listing brand names used by competitors which are identified by formula numbers used by respondent, giving formula used by respondent, which purports to be that used by competitors, but which differs in many instances in proportions of ingredients and in some instances in the ingredients themselves, and quoting prices approximately $1 less than the prices quoted by competitors; thereby deceiving the purchasing public into the erroneous belief that respondent's alloys are of the same characteristics, quality, and kind as those manufactured by respondent's competitors, which are offered for sale at a higher price.

Status: Awaiting answer.

Minter Bros., Philadelphia. (Docket 1785.) Charge: That respondents, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped candies to he sold at prices ranging from 1 to 5 cents and a similar assortment with prices ranging from 1 to 3 cents, the purchasers to pay whatever sum is set forth on a printed slip of paper concealed within the

wrapper; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make pro-vision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods or competition similar to those used by respondent.

Mixer Medicine Co. and others, Hastings, Mich. (Docket 1914.) Charge: That respondents, engaged in manufacture of medicines designated "Mixer's Cancer and Scrofula Syrup," "Mixer's Cancer and Tumor Absorber," etc., circulate false and misleading statements relative to the curative properties of the products, the testimonials received from the users thereof, and the standing of respondent, Charles W. Mixer, as a doctor of medicine; thereby deceiving the purchasing public into the erroneous belief that respondents' products will cure some 28 listed diseases, including cancer and goiter, that the testimonials are the statements of persons cured of various diseases through the agency of these remedies, and that Charles W. Mixer is a physician capable of accurately diagnosing and prescribing for diseases, the symptoms of which are developed by means of questionnaires.

Status: At issue.

Modern Hat Works, Jersey City. (Docket 2047.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status: Awaiting answer.

Modern Hat Works (Inc.), New York. (Docket 2048.) Charge (see charge in docket 1895, Gilman Hat Co.).

Status: Awaiting answer.

Mosby Medicine Co., Cincinnati. (Docket 1911.) Charge: That respondent, engaged in manufacture of a proprietary medicine designated "Konjola" and sale thereof to wholesale and retail dealers, circulates false and misleading statements relative to the medicinal ingredients and properties of "Konjola" and testimonials purporting to be the statements of users thereof; thereby deceiving the purchasing public into the erroneous belief that each of the 35 ingredients has distinctive medicinal value, that the compound is a scientifically blended product having tonic properties and possessing therapeutic value, and that the testimonials are the unbiased opinions of the users thereof.

Status: At issue.

National Candy Co. (Inc.), St. Louis. (Docket 1802.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale and retail dealers, distributes an assortment consisting of pieces of candy to be sold at the rate of two for 1 cent, and pieces of merchandise to be given as prizes to purchaser of last piece of candy in assortment, and to purchasers who by chance select a piece having a center of a specified color; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

National Grave Vault Co., Gallon, Ohio. (Docket 2007.) Charge: That respondent, engaged in the manufacture of metal grave vaults, designated "Purity Metal Vaults," used as underground vaults for caskets, advertises that the vaults are waterproof, are made of rust-resisting, noncorrosive metals, and are sold under a 50-year written guaranty, circulates reproductions of disinterred stone and concrete vaults apparently in bad condition, and publishes letters, circulars, and reproductions of photographs disparaging grave vaults sold by competitors; thereby deceiving the purchasing public into the erroneous belief that vaults manufactured by respondent are waterproof and rustproof, that they are scientifically constructed and will outlast stone or concrete vaults, that they are more durable than those sold by respondent's competitors, and that they will endure in perfect condition for more than 50 years.

Status: At issue.

National Importing Co,. New York. (Docket 2005.) Charge: That respondent, engaged in the sale of dress goods and other fabrics through house-to-house canvassers, uses the word "Importing " in firm name and in advertising matter, and the words "Silk Finish," "Sylkiana," "Foulard," "Shantung," "Silksheen," "Superay Taffeta," "Shantora Crepe," and "Shanteen Crepe " on swatch cards

and in advertising matter to designate fabrics made of materials other than silk; thereby deceiving the purchasing public into the erroneous belief that respondent's products are imported and consist entirely of silk.

Status: Awaiting final argument.

National Leather & Shoe Finders' Association and others, St. Louis. (Docket 1263.) Charge: That respondents, engaged in manufacture and sale of leather to retail dealers, have adopted and employ a system for maintenance of uniform resale prices, refusing to sell except to so-called "legitimate" dealers--that is, those dealers selling their findings and repair service at prices respondents deem sufficiently high to insure a satisfactory profit; thereby tending to hinder and suppress free competition to the prejudice of the public and of respondents' competitors.

Status: At issue on amended complaint.

National Railway Instruction Bureau, East St. Louis, Ill. (Docket 1987.) Charge: That respondent, engaged in furnishing correspondence courses of instruction in Railway training, inserts advertisements in the "Help wanted" columns and in the "Miscellaneous" columns which include "Help Wanted " advertisements, reading: "Firemen, Brakemen, Baggage men, (white or colored), Sleeping Car, Train Porters, (colored) $150--$250 monthly. Experience unnecessary, 236 Railway Bureau, East St. Louis, Illinois," and furnishes applicants responding thereto advertising matter soliciting enrollment that contains false and misleading statements relative to the equipment of the school, the prices, and the facilities for securing positions for graduates; thereby deceiving the purchasing public into the erroneous belief that respondent's school occupies all of the space in a 3-story building, when in truth only one floor is so occupied, that certain prices quoted are special, reduced prices quoted for a limited time only, that respondent guarantees the students' passing, and that a good railway position will be secured for him without cost through respondent's alleged unsurpassed facilities for referring graduates personally to the proper officials of any road selected.

Status: Before Commission for final determination.

Natural Eyesight Institute (Inc.), Los Angeles. (Docket 1838.) Charge: That respondent, engaged in distribution of a systematic training for improving eyesight, uses the word " Institute " in corporate name and advertises that the system, largely by virtue of an instrument called an "eye normalizer," will remove cause of detective vision and initiate progressive improvement which will enable user to discard glasses; thereby deceiving the purchasing public into the erroneous belief that respondent is an institute having facilities for instructing, diagnosing, treating, and conducting scientific investigations, and that the course of training will bring about the benefits respondent sets forth.

Status: At issue.

Old Colony Candy Co., Pittsburgh. (Docket 1814.) Charge (see charge in Docket 1725, R. E Rodda Candy Co.).

Status: At issue.

Old Hickory Mills and others, Nashville. (Docket 1607.) Charge: That respondents, engaged in sale to retail grocers of flour purchased from the Mero Mills, use the words "Mills" and "Milling" in trade names and falsely represent that respondents are manufacturers; thereby deceiving the purchasing public into the erroneous belief that respondents manufacture the products they sell and that the prices quoted are exclusive of the middleman's profit.

Status: At issue on amended complaint.

Overland Candy Co., Chicago. (Docket 1822.) Charge (see charge in Docket 1785, Minter Bros.).

Status: At issue.

Patterson School, Rochester, N. Y. (Docket 1946.) Charge: That respondent, engaged in furnishing correspondence courses of instruction to prepare students for civil-service examinations, circulates false and misleading statements relative to examinations and positions open for appointment; thereby deceiving the purchasing public into the erroneous belief that Government positions are open to anyone between the ages of 18 and 50, regardless of training and qualifications, that examinations have been scheduled, and that appointments may be procured by respondent for any student.

Status: At issue.

Patuxent Guano Co., Baltimore. (Docket 1939.) Charge: That respondent, engaged in distribution of a commercial fertilizer manufactured in accordance

with respondent's formula by certain chemical manufacturing companies, uses in advertising matter the statements "Manufactured by Patuxent Guano Co." and "Factories: Baltimore and Norfolk"; thereby deceiving the purchasing public into the erroneous belief that respondent is a manufacturer, that the prices quoted are exclusive of the middleman's profit, and that respondent's product is genuine guano.

Status: At issue.

Pecheur Lozenge Co., New York. (Docket 1798.) Charge (see charge in Docket 1792, Advance Candy Co. (Inc.).

Status: At issue.

Peet Bros. Co., Kansas City. (Docket 1426.) Charge: That respondent, a manufacturer of soap, uses the words "Crystal Cocoa," "Hardwater Castile," "Cocoa Castile," "Defender Castile," and "Rainbo Castile" in labeling and advertising soap consisting in substantial part of vegetable oils and animal fats, in some instance to the exclusion of olive oil; thereby deceiving the purchasing public into the erroneous belief that respondent's products consist in predominant part of olive oil.

Status: On suspense calendar to await decision of court of last resort in Docket 1110, in matter of James S. Kirk & Co.

Pelman Institute of America (Inc.), New York. (Docket 1971.) Charge: That respondent, engaged in furnishing a correspondence course of instruction in mental training, uses in advertising matter such statements as "A rare opportunity for you-the personal coaching of Dr. Sigsheee" and " No more than thirty students will be accepted in this special July 14th, 1930 class under Dr. Sigsbee's personal direction"; thereby deceiving the purchasing public into the erroneous belief that classes are limited in size and that each student receives individual instruction.

Status: At issue.

Perfection Burial Vault Co., Galion. Ohio. (Docket 2008.) Charge: That respondent, engaged in the manufacture of metal grave vaults used as under-ground vaults for caskets, advertises that the vaults are made of Keystone copper bearing noncorrosive sheet steel, are electric welded, water-tight, air-tight, and vermin-proof, and are sold under a 50-year guaranty, consisting of an offer to replace the vault upon surrender of guaranty with proof of claim, if it is found to contain water or show effects of corrosion; thereby deceiving the purchasing public into the erroneous belief that the material from which the vaults manufactured by respondent are made is rust-proof and will not corrode, that the vaults are air-tight and vermin-proof, impervious to moisture, and proof against the ravages of time and the elements of decay, and that they will endure in perfect condition for more than 50 years.

Status: At issue.

Perpetual Encyclopedia Corporation and others, Chicago. (Docket 1371.) Charge: That respondents, engaged in sale of publications, republished without substantial change the Home and School Reference Work (originally copyrighted in 1912 or 1915) under different names and as new and up-to-date (1924) edition, employing without right the names of attorneys, fictitious corporate organizations, and collection agencies to further sale of said publication and to assist in coercing and blackmailing purchasers into payment of money on orders or contracts, substituting late copyright registration dates for actual date of such registration, misrepresenting that well-known educators, scientists, and public officials are members of editorial staff and contributors, misrepresenting and grossly exaggerating sales prices, obtaining signed orders by subterfuge, misrepresenting quality of paper and binding, and: offering additional books or extension service "free" when price of this purported gratuity is included in price paid for the books; thereby deceiving the purchasing public into the erroneous belief that respondents' product is an up-to-date superior publication, edited by well-known educators, and that reduced prices are being quoted and gratuities given.

Status: Before commission for final determination.

Pittsburgh The & Mantel Contractors' Association and others, Pittsburgh. (Docket 1979.) Charge: That respondent Pittsburgh The & Mantel Contractors' Association, formed of dealers in the and mantel in Allegheny County, Pa., respondent Certified The Corporation, a corporation selling exclusively to members of the association, whose offices are held by the men holding the same offices in the Pittsburgh The & Mantel Contractors' Association and whose stock

has been purchased by members of said association, but is held in escrow for forfeiture in case of suspension from said association, and other respondents who comprise the unsuspended membership of the association, engaged in the sale of the and mantel, have adopted and are employing methods to prevent the importation from Missouri of an enameled metal the designated "Porstelain," which methods include inducing cancellation of contracts for said product, suspending from the association those members who deal in "Porstelain," thereby depriving them of prestige in the trade as to credit, quality of materials, and workmanship, the privilege of buying materials from Certified The Corporation, which deprives them of not only the extra discount allowed members but of the use of certain commodities dealt in exclusively by said corporation, and the privilege of receiving dividends from the stock and eventually of loss of the stock of said corporation, and placing in disrepute and limiting the outlet for "Porstelain"; thereby tending to under and suppress free competition, to the prejudice of the public and of respondents' competitors.

Status: At issue.

Pond's Extract Co., New York. (Docket 2019.) Charge: That respondent, engaged in the manufacture of toilet preparations, uses paid testimonials by socially prominent persons for which sums ranging from $100 to $10,000 are paid, and uses testimonials from theatrically prominent persons, who consider the use of their pictures and the laudatory comment in connection therewith valuable publicity; thereby deceiving the purchasing public into the erroneous belief that such testimonials are voluntary expressions of opinion as to the value of respondent's products.

Status: At issue.

Prime Hat Co., New York. (Docket 1899.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status: In course of trial.

Prospect Hat Co. (Inc.), New York. (Docket 1902.) Charge (see charge in Locket 1895, Gilman Hat Co.).

Status: In course of trial.

Prosperity Hat Co., New York. (Docket 2044.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status: Awaiting answer.

Quaker City Chocolate & Confectionery Co., Philadelphia. (Docket 1773.) Charge (see charge in Docket 1772, Heidelberger Confectionery Co.).

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Radium-Active Remedies Co., Pittsburgh. (Docket 1885.) Charge: That respondent, engaged in manufacture and sale of alleged radium-active remedies, which contain only an infinitesimal amount of radium, polonium, or actinium, if any, sells same at exorbitant prices, and circulates false and misleading statements relative to their curative properties; thereby deceiving purchasing public into the erroneous belief that the so-called remedies discharge radioactive emanations, thereby possessing therapeutic value in the treatment of 26 listed diseases.

Status: Before commission for final determination.

Radium Ore Revigator Co., San Francisco. (Docket 1753.) Charge: That respondent, engaged in manufacture and sale of earthenware water jars designated as " Radium Ore Revigator," circulates false and misleading statements to the effect that water remaining in the jug 24 hours will materially benefit and in some cases cure, some 27 diseases, and that the United States Government approves the use of these jars; thereby deceiving the purchasing public into the erroneous belief that the jars possess therapeutic properties and have been indorsed by the United States Government.

Status: In course of trial.

Raffy Parfums., New York. (Docket 2031.) Charge: That respondents, en-gaged in the manufacture of perfumes and cosmetics, use the trade name "Void Paris" and stamp the words "Paris, France," on the containers thereof; thereby deceiving the purchasing public into the erroneous belief that respondents' products are imported from France.

Status: At issue.

Red Band Co. (Inc.), Johnson City, Tenn. (Docket 2021.) Charge: That respondent, engaged in the milling and sale of flour designated "Bed Band," advertises that the use of this flour saves a half cup of shortening in the baking of each cake, and that the results of certain tests of respondent's flour used in the baking of bread, cake, biscuit, etc., in competition with flour of competitors selected for use with the same recipes by disinterested persons prominent in the social and religious life of the community, have been such as to cause the members of the public present as judges to decide unanimously or by large majorities in favor of respondent's flour; thereby deceiving. the purchasing public into the erroneous belief that only half as much shortening is required with respondent's flour as with competitor's flour, that the grade of competitor's flour used in the tests was comparable to the grade of respondent's flour that was used, that the selection was made and the tests conducted by disinterested persons without suggestion by respondent, that no gifts of money and/or flour were presented judges and the individual members of the groups participating, and that the recipe used was a standard recipe not especially adapted to produce better results with respondent's particular grade or brand of flour.

Status: At issue.

Rochester Nurseries (Inc.), Rochester, N. Y. (Docket 1949.) Charge: That respondent, engaged in purchase and sale of nursery stock, uses the word "Nurseries" in firm name and advertises "Growers of fruits and ornamental trees and plants," "We ship all orders direct to the customers from nursery to planters," etc.; thereby deceiving the purchasing public into the erroneous belief that respondent grows the products sold and that the prices quoted are exclusive of the middleman's profit.

Status: Awaiting final argument.

Rodda Candy Co., R. E., Lancaster, Pa. (Docket 1725.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers, distributes one assortment consisting of candies to be sold at 1 cent each, and a similar assortment consisting of candies to be sold at 5 cents each, with larger pieces of candy to be given as prizes to purchaser of the last piece of candy in each assortment and to purchasers who by chance select a piece having a center of a specified color, and a third assortment consisting of wrapped pieces of candy to be sold at prices ranging from 1 to 5 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within the wrapper; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Rogers Silverware Redemption Bureau (Inc.), New York. (Docket 1945.) Charge: That respondent, engaged in sale to retail dealers of coupons, together with advertising matter and posters, which are redeemed by respondent, upon the receipt of a sum for postage and handling, with plated silverware purchased from William A. Rogers (Ltd.), circulates false and misleading statements relative to the quality of the silverware, the cost of which is fully covered by the price paid by the merchant and the postage charges and the terms of redemption; thereby deceiving the purchasing public into the erroneous belief that respondent was organized by William A. Rogers (Ltd.), and that both are subsidiaries of international Silver Co., the controlling company for William Rogers Manufacturing Co., manufacturing a favorably known brand of silverware, that the redemption of the coupons is handled at a loss by the company as an advertising medium, and that the coupons are redeemed free of charge.

Status: At issue.

Roggen Bros. & Co. (Inc.), New York. (Docket 2053.) Charge: That respondent, engaged in the manufacture of shirts, uses labels bearing the words "Troy Tailored" on shirts made in Elizabeth, N. J.; thereby deceiving the purchasing public into the erroneous belief that the shirts sold by respondent are manufactured in Troy, N. Y., and possess the superior design, style, quality, and workmanship associated with such shirts.

Status: Awaiting answer.

Rosemary Candy Co., San Francisco. (Docket 1881.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an

assortment of wrapped pieces of candy to be sold at prices ranging from nothing to 5 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Rubay Candy Co., Cleveland. (Docket 1863.) Charge: That respondent, en gaged in manufacture of candy and sale thereof, together with explanatory dis. play cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped pieces of candy to be sold at prices ranging from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Rudy Chewing Gum Co., Toledo, Ohio. (Docket 1809.) Charge (see charge in Docket 1799, International Gum Corporation).

Status: Awaiting answer.

Ruth Candy Co., George H. (Inc.), New York. (Docket 1869.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped pieces of candy to be sold at prices ranging from 1 to 5 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

San Martin & Leon Co. (Inc.), Tampa, Fla. (Docket 1458.) Charge: That respondent, a manufacturer of cigars composed in part of Cuban tobacco, uses words "Hoyo de Cuba," "Flor de San Martin y Leon," and "El Briche" on cigar bands and containers and the words "Havana," "Mild Havana," and "Guaranteed genuine Havana cigars from tobacco from our own plantation in Cuba" on containers; thereby deceiving the purchasing public into the erroneous belief that respondent's products are made entirely of tobacco grown on the island of Cuba and principally on respondent's plantation.

Status: At issue.

Schuler Chocolate Factory, Winona, Minn. (Docket 1874.) Charge: That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes one assortment of candies, together with explanatory display cards, to be sold at 5 cents each, certain of which have concealed within wrapper' a slip of paper stating that such piece is given free of charge to purchasers who by chance make this selection; a second assortment of candies to be sold at 10 cents each, together with explanatory display cards and packages of candy to be given as prizes to purchasers who by chance select a piece having a printed slip of paper concealed within wrapper designating a certain prize; a third assortment consisting of a punch board and wrapped pieces of candy, one of which is to be given with each punch, 5 cents being charged for the privilege of using the board, and the others to be given as prizes to the customers who by chance punch a concealed ticket that states that one or more pieces of candy are to be given free of charge; and a fourth assortment consisting of a punch board divided as to cost of punches into 5, 10, and 15 cent sections, together with packages of candy and other merchandise to be given as prizes to the customers who punch the last remaining hole in either of two of the sections or any of the concealed numbers designated in the legend as prize numbers; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Schutter-Johnson Candy Co., Chicago. (Docket 1805.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped candies to be sold at 5 cents each, certain of which have, concealed within the wrapper, a slip of paper stating that such bar is given free of charge to purchasers who by chance make this selection;

thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Schwarz & Son (Inc.), Newark, N.J. (Docket 1793.) Charge (see charge in Docket 1785, Minter Bros.).

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Segno, A. Victor, and others, Los Angeles. (Docket 1851.) Charge: That respondents, engaged in distribution of various books and pamphlets prepared by one Albert J. Hall, organizer of American Institute of Mentalism, and certain charms or talismans designated as "lucky sheckles," which are manufactured in United States, organized a "Success Club;" the ostensible purpose of which is to enlist a number of members upon payment of a fee of $1 to extend their mental influences to each other to create conditions necessary to promote success, and use combination offers of memberships with opportunity to purchase literature and procure a talisman, which is purported to be a rare piece used in Palestine in the year 1391 B. C., costing ordinarily from $5 to $15, and possessed by lucky stars in the motion-picture world; thereby deceiving the purchasing public into the erroneous belief that these talismans are rare pieces with a capacity for bringing goo(l luck, that pictures depicting motion-picture stars as possessors of said lucky sheckles are used by and with their consent, and that membership in the "Success Club" will promote the well-being of the members.

Status: At issue.

Shapiro Candy Manufacturing Co., New York. (Docket 1918.) Charge: That respondent, engaged in manufacture of candy and sale thereof to whole-sale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each and larger pieces of candy and other merchandise to be given as prizes to the purchaser of the last piece of candy in the assortment and to purchasers who by chance select a piece having a center of another specified color to be given free of charge to the purchasers who by chance make that selection; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

Shotwell Manufacturing Co., Chicago: (Docket 1796.) Charge (see charge in Docket 1785, Minter Bros.).

Status: At issue.

Southern California Laundry Owners' Association and others, Los Angeles. (Docket 1954). Charge: That respondents, engaged in operation of laundries, have adopted and employ a system for the maintenance of certain uniform prices for services, designed to prevent competing laundry owners from performing such services at lower prices, and have induced manufacturers of laundry equipment, by means of coercion and boycott, to cancel any existing contracts with operators of laundries who are not members of the association and to refuse to sell to such operators except on discriminatory, prohibitive terms set out by respondents; thereby tending to hinder and suppress free competition, to the prejudice of the public and of respondents' competitors. Status: At issue.

Southern Milling Co., Nashville. (Docket 1617.) Charge: That respondent, engaged in sale of flour, uses trade name " Southern Milling Co." and circulates statements implying operation of a mill wherein flour sold is ground and manufactured; thereby deceiving the purchasing public into the erroneous belief that respondent manufactures the product he sells, and that the price quoted is exclusive of the middleman's profit.

Status: At issue on amended complaint.

Springfield Metallic Casket Co., Springfield, Ohio. (Docket 2006.) Charge: That respondent, engaged in the manufacture of metal grave vaults, designated "Springfield Metal Vaults," used as underground vaults for caskets, advertises that the vaults are made of Armco ingot iron of approximately the same high purity that characterized the old irons that have endured for hundreds and in some cases thousands of years, comparing their durability with that of

old iron nails in a casket at Eaton, Ohio, still unharmed after 100 years, the plates of the Merrimac, uncorroded after submersion of 50 years in Chesapeake Bay, and the old Brahmin shrine at Delhi, that has been exposed to the tropical climate for sixteen centuries, and that the manufacturers are in a position to furnish a written certificate guaranteeing the casket and its contents will be undefiled the same at the end of 50 years as on the day of internment in the Springfield vault, this guaranty consisting of an offer to replace the vault if it is ever found to have admitted water or to have rusted or corroded, uses statements to the effect that concrete and stone afford but little protection, and that investigation will show that the manufacturers of nearly all the concrete vaults are under the control or influence of cemeteries, and that the use of such vaults is advised for mercenary reasons, and circulates purported reproductions of disinterred cement vaults, apparently in bad condition and said to have contained water, and purported reproductions of dis-interred vaults manufactured by respondent, with the words, "if a cement or stone vault had been used, what pictures could you have shown?"; thereby deceiving the purchasing public into the erroneous belief that the material from which the vaults manufactured by respondent are made is rustproof and will not corrode, that they are made of the same material as the nails in the old casket at Eaton, Ohio, the plates of the Merrimac, and the Pillar of Delhi, that they are impervious to moisture and proof against the ravages of time and the elements of decay, and that it has been scientifically demonstrated that they will endure for more than 50 years.

Status: At issue.

Spruance Co., Gilbert, and others, Philadelphia. (Docket 1951.) Charge: That respondents, engaged in manufacture of varnish, shellac, enamels, pigment stains, wood fillers, and other products for use in the manufacture of furniture, offer and give through respondent salesman, James Dillard, substantial sums of money to the employees of furniture manufacturers, without the knowledge and consent of the employers of said employees, as inducements to order or to recommend respondents products; thereby diverting trade from competitors of respondents.

Status: Awaiting final argument.

Standard Brands (Inc.), New York. (Docket 2018.) Charge: That respondent, engaged in the sale of coffee designated " Chase and Sanborn's Coffee," publishes testimonials that have been given for a monetary consideration, without publishing a statement to that effect in conjunction therewith; thereby deceiving the purchasing public into the erroneous belief that such testimonials are voluntary expressions of opinion as to the value of respondents product.

Status: At issue.

Standard Bridge Co., Omaha. (Docket 2016.) Charge: That respondent, engaged in the manufacture, seasoning, and sale of lumber and lumber products, including lumber used for constructing bridges, uses the words "Sesonhous" and "Cold Sesoned" to designate lumber treated by a process designated by respondent as "Sesonhous Process," the knowledge and use of which is not confined to respondent, and represents that the lumber so treated by him is 100 per cent stronger than lumber seasoned by any other process; thereby deceiving the purchasing public into the erroneous belief that respondent's products last longer than lumber seasoned by other well-known processes.

Status: At issue.

Standard Historical Society (Inc.), and others, Cincinnati. (Docket 1886.) Charge: That respondents, engaged in sale of a publication entitled "Standard History of the World," together with a loose-leaf extension service published semiannually, sold at the rate of $59.50, $69.50, or $79 for 10 years, uses the words "Society " in corporate name, and circulates through sales agents and advertising matter false and misleading statements relative to the price and the authors thereof, and membership in the alleged "Society"; thereby deceiving the purchasing public into the erroneous belief that respondent is a society of persons interested in the subject of history, each purchaser of a set of books becoming a member automatically, that the list published of the authors who wrote introductions to the various volumes are special contributors or. revisers of the books, that $220 is the regular price, and that the prices quoted (which in reality afford respondent a profit on the books and the service) are special prices being used as a part of an introductory offer, which covers the cost of the extension service only.

Status: At issue.

Steelcote Manufacturing Co., St. Louis. (Docket 2025.) Charge That respondent, engaged in the manufacture of enamel designated "Steelcote Rubber Auto Enamel," uses in circulars and advertising matter the words "Paint From a Rubber Tree" and a representation alleged to be a native milking a rubber tree, together with statements to the effect that respondent's enamel contains pure Para rubber, which is incorporated in the enamel by a secret process, that it is the only paint that contains rubber, and that by virtue of this ingredient "Steelcote Rubber Auto Enamel" will not become brittle and chip or crack under the bumps and jolts of the road, will not blister and peel under the expansion and contraction of the metal parts as a result of the variance in temperature, and will be impervious to the effects of sun, ice, snow, boiling water, acid, alkali, mud, steam, and road oil; thereby deceiving the purchasing public into the erroneous belief that the use of rubber would impart the above attributes to any enamel and that respondent's product contains a sufficient amount of rubber to determine its efficiency in any way.

Status: In course of trial.

Syncro Motors Co., Battle Creek, Mich. (Docket 2032.) Charge: That respondent, engaged in the manufacture of a device designated Synco System Ignition" and "High Frequency Spark Transformer," and the sale thereof through agents, uses statements in letters soliciting agents to the effect that the prospective agent selected has been chosen from many applicants by reason of personal qualifications, that respondent will place a sales force under the agent and institute a "$10,000 advertising campaign," thus making it advisable for agent to carry a large stock; and uses statements in advertising matter to the effect that respondent's device will reduce amount of gasoline consumed per mile from 25 to 35 per cent, prolong the life of crank-case oil, making it last 2,500 miles, eliminate carbon, prevent fouling of spark plugs, increase the power of the engine, and give quick starting to a cool motor; thereby deceiving the purchasing public into the erroneous belief that agents are selected by reason of particular Qualifications and will be assisted in disposing of a large stock through respondent's advertising campaign and through orders now being held for filling, and that respondent's device will cut down the operating cost of a motor and cause it to function more efficiently.

Status: Awaiting answer.

Technical Chemical Co., Dallas. (Docket 1978.) Charge: That respondent, engaged in the sale of a fluid designated "Ester" and "Ester Compound," which has no ingredients that affect the action of gasoline when used as a fuel, uses statements in advertising matter to the effect that one part of Ester compound added to 1,000 parts of gasoline will increase the efficacy of the gasoline as a fuel by reducing detonation, minimizing carbon, lubricating the combustion cycle, and correcting other defects in the gasoline; thereby deceiving the purchasing public into the erroneous belief that respondent's product is compounded to impart to gasoline a better balanced, more flexible performance, and cause the motor to function on less revolutions per minute.

Status: Awaiting commission's brief.

Tennessee Woolen Mill Co., McMinnville, Tenn. (Docket 1919.) Charge: That respondent, engaged in manufacture of blankets having a wool content ranging from 1 to 5 per cent by weight, and sale thereof to jobbers and retailers, uses labels designating same as " fine part-wool blankets " thereby deceiving the purchasing public into the erroneous belief that the product contains a substantial proportion of wool.

Status: At issue.

Textile Bag Manufacturers' Association and others, Detroit. (Docket 1765.) Charge: That respondent, a voluntary, unincorporated association of members engaged in manufacture of cotton and burlap bags, and sale thereof to jobbers and wholesale dealers, has adopted and employs a system for maintenance of uniform resale prices, terms, discounts, and freight allowances; thereby tending to hinder and suppress free competition, to the prejudice of the public and of respondent's competitors.

Status: Before commission for final determination.

Thayer Pharmacal Co., Chicago. (Docket 1980.) Charge: That respondent, engaged in the manufacture of toilet preparations, circulates false. and misleading statements to. the effect that respondent's products are the creations of French cosmeticians designated "Mons. Henri, Mons. Carl, Maison Andre," who are in fact fictitious persons; that a product designated "Cream of

Creams," alleged to obviate the need of any other beauty aid, was developed through five years of research by the famous Felix Laroche, of Paris, and that special introductory prices are being offered; thereby deceiving the purchasing public into the erroneous belief that respondent's products are manufactured in France by famous French cosmeticians, imported therefrom, and quoted at reduced prices as a special introductory offer, and that the "Cream of Creams " is an unusual product that will meet all beauty requirements.

Status: In course of trial.

Theronoid (Inc.) and others, New York. (Docket 1865.) Charge: That respondent, engaged in sale of a solenoid designated " Theronoid," circulates false and misleading statements to the effect that the device is a curative agent whereby approximately 21 designated diseases may be cured by reason of the simulation of the normal functions brought about through the electromagnetism induced ; thereby deceiving the purchasing public into the erroneous belief that respondent's product has therapeutic value.

Status: In course of trial on amended complaint.

Thinshell Candies (Inc.), Chicago. (Docket 1852.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with punch boards having explanatory legends, to wholesale dealers and jobbers, distributes jars of candy to be given as prizes to customers who, upon punching the board following payment of 5 cents for privilege of so doing, punch last remaining hole in any one of four sections, the last remaining hole in the board, or any of the concealed numbers designated in the legend as prize numbers; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Tiffany Laboratories, Cleveland. (Docket 2001.) Charge: That respondent, engaged in the sale by mail orders of a cream designated "Tiffany Tissue Builder," uses the word "Laboratories" in firm name and in advertising matter, uses the fictitious name Jean H. Tiffany, President," and uses the phrases "No dieting or tiresome exercise is necessary," "Simply apply Tiffany Tissue Builder externally to develop flesh where you want it," in circulars and advertising matter; thereby deceiving the purchasing public into the erroneous belief that respondent owns and operates a laboratory where " Tiffany Tissue Builder " is made, that the cream contains tissue-building oils, that the mere local application will develop any portion of the body, and that the company has a form of organization that includes a president.

Status : At issue.

Ucanco Candy Co. (Inc.), Davenport, Iowa. (Docket 1795.) Charge (see charge in Docket 1785, Minter Bros.).

Status : At issue.

United State Gypsum Co., Chicago. (Docket 1958.) Charge : That respondent, engaged in manufacture and sale of building materials, uses in advertising matter the terms "Sheetrock Wall Board," "Sheetrock The Board," "Gyplap," and "Rocklath" to designate sheets of building material composed of outer sheets of paper or fibrous material with a core of fibrous material and "Calcined gypsum," generally known as stucco or plaster of Paris, manufactured by respondent from gypsum rock, which core, although itself incombustible, crumbles and loses its fire-retarding properties when subjected to heat, and labels said products "fireproof," advertising that they are pure gypsum rock that can not burn; thereby deceiving the purchasing public into the erroneous belief that extensive research and laboratory tests have demonstrated that respondent's products are natural rock at least in part, and that products will make fireproof any part of a building in which they are used by preventing the flames from penetrating through them to the wood joists and studding.

Status : At issue.

Universal Theater Concession Co., Chicago. (Docket 1950.) Charge : That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes one assortment of packages to be sold at 10 cents each and another assortment to be sold at 25 cents each, each package containing a piece of candy and a prize or a coupon entitling purchaser to a prize in the event that the same is too large to be conveniently contained within the package; thereby supplying and placing in hands of others the means of

conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Veilguth Co., Walter A., San Francisco. (Docket 1925.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment consisting of pieces of candy to be sold at 1 cent each and larger pieces of candy to be given as prizes to purchasers who by chance select a piece having a center of a specified color; a second and third assortment consisting of pieces of candy to be sold at prices ranging from nothing to 5 cents and from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

Von Walden, Sherman, Atlanta. (Docket 1942.) Charge : That respondent, engaged in sale of a method designated the "Walden method," for treatment of some 37 listed diseases, including angina pectoris and hardening of the arteries, by diet and exercise, sends questionnaires to customers setting forth such questions as "Have you heart disease and what kind?," "High blood pressure?," making a diagnosis from the answers without examination, publishes as voluntary testimonials statements that are misleading and fictitious and statements for which a sum of money has been paid, uses the abbreviation "Dr." in conjunction with name, and circulates false and misleading statements relative to respondent's qualifications for diagnosing and prescribing and relative to the efficacy of the treatment; thereby deceiving the purchasing public into the erroneous belief that respondent is a scientific man and a doctor of medicine, who examines his patients and is qualified to properly diagnose, that the Walden method allows of the proper treatment for all diseases, and cures through scientific methods, that respondent maintains an institute of dietetics in connection with his business, and that the testimonials are the unbiased opinions of the users of respondent's products.

Status : At issue.

Voneiff-Drayer Co., Baltimore. (Docket 1724.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers, distributes assortments of candies to be sold at 1 cent each, with larger pieces or packages of candy to be given as prizes to purchaser of the last piece of candy in the assortment, and to purchasers who by chance select a piece of candy having a center of a specified color; thereby sup-plying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : at issue.

Walker Remedy Co., Waterloo, Iowa. (Docket 2013.) Charge : That respondent, engaged in the sale of livestock remedies designated "Walker Tablets" and " Walker Tonix," circulate false and misleading advertising matter relative to the curative properties of the products; thereby deceiving the purchasing public into the erroneous belief that respondent's products are effective therapeutic agents in the treatment of diseased conditions in poultry.

Status : In course of trial.

Walker's New River Mining Co., Elk ins, W. Va. (Docket 2028.) Charge : That respondent, engaged in the mining of coal in Flint, Randolph County, W. Va., uses the words "New River" in firm name and in advertising matter and uses the designation "N. R. Nut & Shack" on vouchers furnished customers; thereby deceiving the purchasing public into the erroneous belief that respondent's product is the favorably known coal mined in the New River district of West Virginia, and designated "New River Coal."

Status : At issue.

Walnut Grove Products Co., Atlantic, Iowa. (Docket 1995.) Charge : That respondent, engaged in the manufacture of livestock remedies designated " Walnut Grove Hog Conditioner," "Walnut Grove Hog Remedy," "Walnut Grove Medicated Minerals," and "Walnut Grove Hog Conditioner Specific," circulates false and misleading statements in advertising matter relative to the curative properties of the products; thereby deceiving the purchasing public

into the erroneous belief that respondent's products will cure certain designated diseases and that their use according to directions will keep livestock from contracting certain diseases.

Status : At issue.

Weil Corset Co., New Haven. (Docket 1965.) Charge : That respondent engaged in the manufacture and sale of a rubber reducing belt designated " Weil Rubber Reducing Belt," quotes the price at which it is anticipated product will be sold as a special reduced price, represents that it is indorsed by the country's greatest athletes, professional trainers, and physicians, and advertises a free 10-day trial offer; thereby deceiving the purchasing public into the erroneous belief that reduced prices are being quoted, that no payment will be required prior to trial under the terms of the free trial offer, that the belt is made of scientifically treated rubber, is indorsed by athletes and physicians, that "every move of your body * * * merely breathing as you sit-causes the Weil belt to massage your abdomen" which "produces the same effect as an expert masseur," and that the user can see and measure the difference in 10 days' time.

Status : At issue.

Weiler-Baird North & Co., Jason (Inc.), Boston. (Docket 2000.) Charge : That respondent, engaged in the sale of jewelry and diamonds, a limited number of the latter being imported, circulates false and misleading statements in advertising matter relative to the nature of his business and the quality of the products sold; thereby deceiving the purchasing public into the erroneous belief that respondent manufactures the jewelry he sells, that the major portion of the diamonds are imported, respondent maintaining offices in foreign countries for their purchase, and that the prices quoted are exclusive of the middleman's profit.

Status : Awaiting answer.

Western Bottle Manufacturing Co., Chicago. (Docket 2099.) Charge: That respondent, engaged in the sale of tooth paste designated "Dr. West's Tooth Paste," under the trade name " Western Company," uses the fictitious name "Dr. West" on the containers thereof, and in advertising matter uses three pictures of human mouths displaying the upper teeth, showing different degrees of discoloration and cleanliness, publishing in connection therewith the results of tests of 10 dentifrices made independently by a chemist associated with a university but not conducted in connection with the work of the university or approved thereby, and representing these tests were authorized and checked by said university, and show that West's tooth paste was the only dentifrice among 10 typical brands that did not injure the enamel and at the same time cleaned the teeth; and publishes a picture of two extracted teeth that have been brushed by a machine for about eight hours, with text to the effect that the pictures represent a magnified picture of enamel after 10 years' brushing with " Dr. West's"; thereby deceiving the purchasing public into the erroneous belief that respondent's tooth paste is the product of the scientific and professional knowledge of a certain Doctor West, and that tests conducted under the auspices of a great university show it to be the only dentifrice among 10 typical brands tested that cleans without injuring the enamel.

Status : Awaiting commission's brief.

Wheelwright Paper Co., George W., Leominster, Mass. (Docket 1866.) Charge : That respondent, engaged in production of paper, uses the words "Italiano hand-made vellum "to designate domestic made, machine-manufactured paper; thereby deceiving the purchasing public into the erroneous belief that respondent's product is genuine vellum and is a hand-made Italian product.

Status : At issue.

White-Lite Distributing Corporation and others, New York. (Docket 2022.) Charge: That respondents, engaged in the sale of electric bulbs designated "Sun Glo," brand and label the bulbs and containers a wattage one-third or one-half the actual wattage, represent that they are of a higher efficiency than competitors' lamps, sell them. at prices in excess of those at which other lamps of the same actual wattage are sold, and use on price lists the phrase "Trade Mark Reg. U. S. Pat. Office" and the statement that "Sun Glo lamps. are manufactured to comply with the U. S. Bureau of Standards for incandescent lamps * * * thus proving them to be lamps of highest quality"; thereby deceiving the purchasing public into. the erroneous belief that respondent's products, which are not used by the United States Government because a test of their

performance ability, which is made by the Bureau of Standards of all bulbs considered for purchase by the Government, proved them to be low-quality bulbs, are indorsed by the Federal Government, that the trade-mark is registered in the United States Patent Office, and that "Sun Glo" bulbs are of superior quality and give a greater amount of light than competitors' lamps of the same wattage.

Status : At issue.

White Star Hat Co., New York. (Docket 2045.) Charge (see charge in Docket 1895, Gilman Hat Co.).

Status : Awaiting answer.

Winthrop Mills Co., Boston. (Docket 1908.) Charge: That respondent, engaged in manufacture of blankets having a wool content varying from 3 to 50 per cent by weight, and sale thereof to jobbers and retailers, uses labels and advertising matter designating same as "part wool," without any indication as to the percentage of wool; thereby deceiving the purchasing public into the erroneous belief that the product contains a substantial proportion of wool.

Status : At issue.

Yokum Bros., Reading, Pa. (Docket 1438.) Charge : That respondent, a manufacturer of cigars, uses the words " Spana-Cuba " on cigar bands and containers of cigars containing no Cuban tobacco; thereby deceiving the purchasing public into the erroneous belief that respondent's products are made of tobacco grown on the island of Cuba.

Status : At issue.

Ziegler Co., George, Milwaukee. (Docket 1787.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each, and larger pieces of candy and pieces of merchandise to be given as prizes to purchaser of last piece of candy in the assortment and to purchasers who by chance select a piece having a center of a specified color; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

NUMERICAL LIST--COMPLAINTS PENDING

Docket No.	Respondent
288	Hoover Suction Sweeper Co.
962	Bethlehem Steel Corporation and others.
1268	National Leather & Shoe Finders' Association and others.
1329	Armand Co. (Inc.) and others.
1371	Perpetual Encyclopedia Corporation and other
1423	Armour & Co. and others.
1424	Globe Soap Co.
1425	Cincinnati Soap Co.
1428	Peet Bros. Co.
1438	Yokum Bros.
1453	Fleck Cigar Co.
1458	San Martin & Leon Co. (Inc.).
1465	Havatampa Cigar Co.
1498	Arrow-Hart & Hegeman (Inc.) and others.
1510	Hoyt Bros. (Inc.).
1527	Aetna Fire Brick Co. and others.
1570	Limoges China Co. and others.
1807	Old Hickory Mills and others.
1617	Southern Milling Co.
1694	Not released.
1698	Central Paint & Varnish Co. and others.
1703	Bleadon-Dun Co.
1724	Voneiff-Drayer Co.
1725	R. E Rodda Candy Co.
1733	Billings-Chapin Co.
1752	American Radium Products Co.
1753	Radium Ore Revigator Co.
1761	Lewis Bros. (Inc.).
1765	Textile Bag Manufacturers' Association and others.
1766	Agmel Corporation.
1772	Heidelberger Confectionery Co.
1773	Quaker City Chocolate & Confectionery Co.
1777	Chatham Manufacturing Co.
1785	Minter Bros.,
1786	Hardie Bros. Co.
1787	George Ziegler Co.
1788	Elmer Candy Co.
1789	Ludens (Inc.).
1799	Pasquale Margarella.
1791	Blackhawk Candy Co.
1792	Advance Candy Co. (Inc.).
1793	Schwarz & Son (Inc.)
1794	Euclid Candy Co.
1795	Ucanco Candy Co. (Inc.)
1796	Shotwell Manufacturing Co.
1797	D. L. Clark Co.
1798	Pecheur Lozenge Co.
1799	International Gum Corporation.

Docket No.	Respondent
1800	Charms Co.
1802	National Candy Co. (Inc.).
1803	Headley Chocolate Co.
1805	Schutter-Johnson Candy Co.
1806	American Caramel Co. (Inc.).
1807	American Candy Co.
1808	Metro Chocolate Co. (Inc.).
1809	Rudy Chewing Gum Co.
1810	D. Goldenberg (Inc.).
1811	Bunte Bros. (Inc.).
1812	Charles F. Adams (Inc.).
1813	Edgar P. Lewis & Sons (Inc.).
1814	Old Colony Candy Co.
1817	Walter H. Johnson Candy Co.
1818	DeWitt P. Henry Co.
1822	Overland Candy Co.
1824	W. S. Libbey Co.
1831	Johnson-Fluker Co.
1832	Frank H. Fleer Corporation.
1838	Natural Eyesight Institute (Inc.).
1841	Badger Candy Co.
1846	Magnecoil Co. (Inc.).
1849	A. Karcher Candy Co.
1851	A. Victor Segno and others.
1852	Thinshell Candies (Inc.).
1853	Curtiss Candy Co. and others.
1855	Hecht, Cohen & Co.
1856	Lion Manufacturing Co.
1857	K. & S. Sales Co.
1858	Cosmopolitan Candy Co.
1861	Belmont Candy Co.
1863	Rubay Candy Co.
1864	Elbee Chocolate Co. (Inc.).
1865	Theronold (Inc.) and others.
1866	George W. Wheelwright Paper Co.
1867	Dilling & Co.
1868	Howard B. Drollinger.
1869	George H. Ruth Candy Co. (Inc.).
1870	Mells Manufacturing Co.
1871	Gutman Bros. and others.
1874	Schuler Chocolate Factory.
1875	J. N. Collins Co.
1877	Dorman Mills.
1880	Gellman Bros.
1881	Rosemary Candy Co.
1882	Chicago Machine Tool Distributors and others.
1885	Radium-Active Remedies Co.
1886	Standard Historical Society and others.
1892	Brux Candy Co. and others.
1895	Gillman Rat Co.
1896	Globe Hat Works.
1897	Maf Hat Works (Inc.).
1898	Manhattan Hat Co. (Inc.).
1899	Prime Hat Co.
1900	Not released.
1901	Grand Hat Co.
1992	Prospect Hat. Co. (Inc.).
1903	H. & H. Hat Manufacturing Co.
1904	Herman Hat Co.
1907	D. Arnould Co.
1908	Winthrop Mills Co.
1911	Mosby Medicine Co.
1912	Limoges China Co.
1914	Mixer Medicine Co. and others.
1915	Borg-Warner Corporation.
1917	Blue Hill Candy Co.
1918	Shapiro Candy Manufacturing Co.
1919	Tennessee Woolen Mill Co.
1920	Arnco Mills.
1925	Walter A. Veliguth Co.
1928	S. C. Coumbe Co. and others.
1938	Congo Pictures (Ltd.) and others.
1939	Patuxent Guano Co.
1942	Sherman Von Walden.
1945	Rogers Silverware Redemption Bureau (Inc.).
1946	Patterson School.
1949	Rochester Nurseries (Inc.).
1950	Universal Theatre Concession Co.
1951	Gilbert Spruance Co. and others.
1954	Southern California Laundry Owners Association and others.
1956	Block Candy Co.
1958	United States Gypsum Co.
1959	Cook Paint & Varnish Co. and others.
1961	Adams Paint Co.
1962	Fishback Candies (Inc.).
1965	Well Corset Co.
1966	E. Griffifths Hughes (Inc.).
1969	Export Petroleum Co. of California (Ltd.).
1970	Jacob Gennet.
1971	Pelman Institute of America (Inc.).
1972	Ironized Yeast Co.
1973	Ammunition Manufacturers' Association and others.
1974	W. C. Hamilton & Sons.
1977	Central Quilt & Mattress Manufactury.
1978	Technical Chemical Co.
1979	Pittsburgh The & Mantel Contractors' Association and others.
1980	Thayer Pharmacal Co. (Inc.)
1982	Candy Brands (Inc.).
1985	Hires Turner Glass Co.
1986	Edison Unit Sales Co.
1987	National Railway Instruction Bureau.
1989	Fleischmann Co. and others.
1990	Blatz Brewing Co.
1992	Guarantee Veterinary Co. and others.
1993	Menke Grocery Co.
1995	Walnut Grove Products Co.

Docket No.	Respondent
1996	Nancy Lee and others.
1999	Madison Mills (Inc.).
2000	Jason Weller-Baird North & Co. (Inc.).
2001	Tiffany Laboratories.
2002	Gallon Metallic Vault Co.
2003	Clark Grave Vault Co.
2004	Jeffrey Jewelry Co.
2005	National Importing Co.
2006	Springfield Metallic Casket Co.
2007	National Grave Vault Co.
2008	Perfection Burial Vault Co.
2009	Western Bottle Manufacturing Co.
2011	Champion Co.
2012	Jean Jordeau (Inc.) and others.
2013	Walker Remedy Co.
2015	Arthur Guerlin (Inc.).
2016	Standard Bridge Co.
2017	Battle Creek Appliance Co. (Ltd.) and others.
2018	Standard Brands (Inc.).
2019	Pond's Extract Co.
2020	Diamond Fur Industries.
2021	Red Band Co. (Inc.).
2022	White-Lite Distributing Corporation and others.
2023	American Cigar Co.
2024	Farber Bros.
2025	Steelcote Manufacturing Co.
2026	American Box Board Co. and others.
2027	M Harris.
2028	Walker's New River Mining Co.
2029	L. Fatato (Inc.).
2031	Raffy Parfums.
2032	Syncro Motors Co.
2033	H. Michelsen Co. (Inc.) -
2034	American College and others.
2035	Great Northern Fur Dyeing & Dressing Co. (Inc.) and others.
2036	Amiesite Asphalt Co. of America and others.
2037	Maisel Trading Post (Inc.).
2038	L. & C. Mayers Co. (Inc.).
2039	Hercules Food Products Co.
2040	Not released.
2041	Hammer Laboratories (Inc.).
2042	Bird & Son (Inc.).
2043	Bulova Watch Co.
2044	Prosperity Hat Co.
2045	White Star Hat Co.
2046	Excelsior Hat Works.
2047	Modern Hat Works.
2048	Morben Hat Works (Inc.).
2049	Harlin Hat Co.
2050	Efansee Hat Co. (Inc.).
2051	T. H. Banfield.
2052	Minimax Co.
2053	Roggen Bros. & Co. (Inc.).
2054	Health-Mor Sanitation Systems (Inc.) and others.

STIPULATIONS APPROVED AND ACCEPTED

[Copies of statements covering these stipulations may be had upon request to the commission.]

Stipulations approved and accepted by the commission during the fiscal year 193132 are digested in the following pages. In each instance the respondent agreed to cease and desist from the unfair methods of competition charged. In most instances his name is not mentioned, although the commodity involved and the story of each case are made known. The stipulations are divided into (1) general and (2) special false-advertising cases.

GENERAL

807. **Correspondence School; Secret Service Intelligence.**--The conductor of a correspondence school for teaching secret service intelligence agrees to discontinue the use of the letters U. S. as part of firm name; thereby implying association with the United States Government, when no connection exists and no examination or supervision has been accorded.

808. **Furs.**--A distributor agrees to discontinue the use of the words "Hudson" and "Seal" in trade names to designate products not made of the pelts of seals and to discontinue the use of the phrases "From ranch to wearer," "We raise the animals to lower the price," and "Might we suggest that you buy direct" in connection with the sale of furs that are not pelted on ranches owned by distributor.

809. **Barber and Beauty Parlor Supplies.**--An importer agrees to discontinue the use of the words "Tempered," "Special Steel," and "Forged Steel" to designate supplies that are neither made of forged steel nor of steel that has been tempered or especially hardened in any way.

810. **Master Clocks.**--A manufacturer agrees to discontinue advertising that his master clocks are the only clocks used by power companies to furnish regulated time and that these clocks control generator speeds, when such are not the facts.

811. **Drawing Instruments.**--A distributor agrees to discontinue the use of the word "Manufacturers" in advertising matter in a manner to imply owner-ship or operation of a factory in which the products sold are manufactured, when neither owning nor operating such a factory, and to discontinue representing that products are made of cold-rolled German silver and tool steel, when such is not the fact.

812. **Medicinal Products.**--A manufacturer of headache powders agrees to discontinue the use of the words "Safe" and "it does not depress the heart," in advertising matter descriptive of headache tablets that act as a heart depressant, and to discontinue representing that they are a competent remedy for rheumatism, sciatica, or any other basic disease, when they possess no such therapeutic value.

813. **Tea.**--Salada Tea Co. (Inc.) importer and packer of tea, agrees to discontinue the enforcement of a uniform resale price maintenance policy.

814. **Lamps.**--A manufacturer agrees to discontinue representing that patents owned on a combination of elements, which combination includes a lens, serve as patents on the lenses when used apart from the combination, when such is not the fact; and to discontinue claiming ownership of a registered trademark upon the word "Daylight" when not possessing exclusive rights to such a trade-mark.

815. **Process Printing; Stationery.**--A corporation engaged in printing agrees to discontinue the use of the words "Engraved" and "Engraving" to designate an effect produced by a form of process printing rather than by engraving.

816. **Typewriter Ribbons.**--A manufacturer agrees to discontinue the use of the word "Silk" to designate typewriter ribbons that are not made of silk.

817. **Dental Supplies.**--A distributor agrees to discontinue the use of the word "Heatless" to designate dental supplies that are not the product of Mizzy (Inc.).

818. **Soft Drinks.**--James Vernor Co., Detroit, manufacturer of ginger-ale extract, agrees to discontinue the enforcement of a uniform resale price maintenance policy.

819. **Hatchets and Axes.**--A distributor agrees to discontinue the use in catalogues of the words "Crucible Steel" and "Hardened Steel" and the statement that products will not batter and mash, as descriptive of hatchets and axes that are not made of the quality of steel indicated.

820,821. **Manicure Sticks.**--A distributor and manufacturer agrees to discontinue the use of the word "Orange" to designate manicure sticks made of wood other than that of the orange tree.

822. **Hospital Wares.**--A distributor agrees to discontinue using in firm name, on labels, and in advertising matter, the words "Stamping," " Enameling," or any other words that imply ownership or operation of a factory in which the hospital wares sold are manufactured, when neither owning nor operating such a factory.

823. **Medicinal Products.**--A distributor of a proprietary drug agrees to dis-continue the use of the word "Laboratories" in firm name and to discontinue its use on labels and in advertising matter in a manner to imply ownership or operation of a laboratory in which the medicines sold are compounded, when neither owning nor operating such a laboratory.

824, 825. **Gasoline.**--Two exporters agree to discontinue using invoices, labels, and advertising matter in connection with the sale of gasoline in standard-size 5-gallon containers, that indicate cans containing 5 gallons, when such is not the fact; to discontinue selling less than 5 gallons of gasoline in the standard 5-gallon container without labels or marks clearly stating the exact amount of gasoline in the container; and to discontinue the sale and distribution of gasoline in export trade in a manner to disparage merchandise exported from the United States.

826. **Fish.**--A distributor agrees to discontinue the use of the words "Cat-fish," "Oat," or "Trout" to designate fresh or frozen fish that are not of the species known as "Catfish" or "Trout."

827. **Hair Dye and Face Cream.**--A manufacturer agrees to discontinue representing on labels and in advertising matter that respondents' hair treatment is not a dye imparting artificial color to the hair, but is a harmless commodity that restores the natural color to the hair, overcomes falling hair and baldness and corrects dandruff, when such are not the facts; to discontinue representing that respondent's face cream will remove wrinkles and effect a rejuvenation of the skin, when such is not the fact; and to discontinue misrepresenting in any manner the therapeutic value of the products.

828. **Bronze Powders.**--A distributor agrees to discontinue the use of the word "Manufacturers" in a manner to imply the ownership or operation of a factory in which the products sold are manufactured, when neither owning nor operating such a factory.

829. **Manicure Sticks.**--A distributor agrees to discontinue the use of the word "Orange" to designate manicure sticks made of wood other than that of the orange tree.

830. **Bronze powders.**--A distributor of bronze powders agrees to discontinue the use of the word " Manufacturers" in a manner to imply ownership or operation of a factory in which the product sold is manufactured, when neither owning nor operating such a factory.

831. **Medicinal Products.**--A manufacturer of proprietary medicines agrees to discontinue publishing testimonials that have been altered in such a way as to change their meaning, to discontinue applying a testimonial given for a product in one form to the products as used in another form, to discontinue using paid testimonials unless accompanied by a conspicuous statement setting forth the fact that the indorsement has been given for a monetary consideration, to discontinue representing that a certain liquid product conforms to the

principle of "Nature Healing" methods as represented by Rev. Sebastian Kreipp, and to discontinue representing that a certain liquid product is vitamized unless it contains all of the known vitamines in significant amounts and that it has tonic properties due to the presence of nux vomica, when such is not the fact.

832. **Soap.**--A distributor agrees to discontinue the use of the fictitious name " Dr. Carney" in labeling or advertising soap; to discontinue representing that a physician was connected with the formula or the manufacture of the soap, when such is not the fact; to discontinue the use of the word "Antiseptic" in connection with a soap designated " Dermogene," when it contains no antiseptic properties other than those usually found in coconut-oil soaps; and to discontinue advertising that a soap designated " Cu-Rene" contains olive oil, is devoid of acids, and possesses the soothing qualities of castile soap, when such are not the facts.

833. **Bottled Water.**--A bottler of water from a natural spring in Florida, about 2 miles from McDavid and 30 miles north of Pensacola, agrees to discontinue representing that the water has any medicinal value other than that it is somewhat alkaline and mildly laxative.

834. **Automobile Parts.**--A distributor of various automobile parts agrees to discontinue advertising that the axle shafts sold are of distributor's own manufacture and that the Brinnel Test is used, when such are not the facts, and to discontinue advertising that the products sold are manufactured from special alloy or nickel-chromium steel, when only a portion thereof are so manufactured.

835. **Lead Pencils.**--A distributor of lead pencils agrees to discontinue the use of the words "Highest possible award for advertising pencils Medal of Honor," when the "award" referred to consists of a diploma of honorable mention given distributor for a display of advertising pencils, and to discontinue advertising that products are of distributor's own manufacture and that the purchaser is saved the middleman's profit, when neither owning nor operating a factory in which the products sold are made.

836. **Cigars.**--A manufacturer of cigars agrees to discontinue the use of the words "Anti Nicotine" and the use of statements to the effect that the cure and preparation of the tobacco from which the cigars are made requires from two to four years, only a minimum of nicotine being retained therein, and that the cigars may be used regardless of quantity without biting tongue or throat irritations when such are not the facts.

837. **Medicinal Products.**--A distributor of proprietary medicines agrees to discontinue the use of the word " Laboratory" in trade name, and to discontinue its use on labels and in advertising matter, in a manner to imply owner-ship or operation of a laboratory in which the medicines sold are compounded, when neither owning nor operating such a laboratory.

838. **Rugs.**--A manufacturer of rugs agrees to discontinue the claim of being the largest and oldest rug manufacturer in the world dealing direct with the home, in connection with the sale of rugs made elsewhere than in his own factories, and to discontinue representing that orders for rugs placed with him will be made exclusively from material sent in by the customers, regardless of condition, as the good wool will be assembled in the surface of the rug, and that they can be made in any color or pattern in the design book, regardless of the material furnished, when such are not the facts.

839. **Soft Drinks.**--A manufacturer agrees to discontinue the use of the names of certain fruits to designate products not composed of the fruit or the juice indicated and to discontinue their use on a synthetic product without the use of the word "imitation," or other appropriate word or words, in type equally conspicuous and in immediate conjunction therewith.

840. **Dog Remedies.**--A distributor agrees to discontinue misrepresenting that an alleged dog remedy is a competent treatment for worms and running fits.

841. **Tombstones and Monuments.**--A cutter of granite tombstones and monuments agrees to discontinue the use of his own trade-mark in connection with pictorial representations of work produced by others.

842. **Water Filters.**--A distributor agrees to discontinue representing that certain water filters will impart to the water contained therein a special therapeutic value by virtue of charging the water with radio activity, and to discontinue publishing purported observations of eminent authorities imply-

ing that such authorities indorse the use of water to which has been imparted such radioactive strength as would be imparted by such filters.

843. **Furniture.**--A manufacturer of pianos, radio receiving sets, pool tables, and clock cases agrees to discontinue the use of the word "Walnut" to designate products made of wood other than that of the walnut or Juglandacere family.

844. **Soft Drinks.**--A manufacturer of fruit concentrates agrees to discontinue the use of labels and advertising matter representing that product is an orange fruit drink containing the natural juice sacks of the orange with no added acid, when such is not the fact.

845. **Health Manuals.**--A distributor of health manuals and courses of instruction relative to diet agrees to discontinue misrepresenting results to be accomplished by the use of a certain system of dietetics and to discontinue representing that diet alone will rejuvenate a diseased human body, create pep, make an individual look appreciably younger in a short space of time, wash away "old-age deposits," invariably eliminate backache and headache, and charge the glands and blood stream with new life, when such are not the facts.

846. **Medicinal Products.**--A manufacturer agrees to discontinue representing that a certain medicinal preparation will cure influenza, flu, and la grippe, when suck is not the fact.

847. **Medicinal Products.**--A distributor of "Iron Tonic Tablets" agrees to discontinue the use of the word " Manufactured" in a manner to imply owner-ship or operation of laboratories in which said products are compounded, when neither owning nor operating such laboratories; to discontinue representing that "Iron Tonic Tablets" are registered with the Food, Drug, and Insecticide Administration of the Department of Agriculture at Washington, D.C., when such is not the fact; and to discontinue representing that the tablets will cure psoriasis, when such is not the fact.

848. **Rat-Killing Preparation.**--A manufacturer of a chemical used for killing rats agrees to discontinue the use of labels and advertising matter representing that the preparation, or the ingredients used therein, has been indorsed by the Biological Survey of the United States Department of Agriculture, when no such approval has been accorded.

849. **Clothing.**--A manufacturer of men's shirts and women's blouses agrees to discontinue claiming ownership, control, or operation of factories in Newark, N.J., Port Chester, N.Y., Troy, N.Y., or in any other city, when neither owning nor operating factories in the places designated.

850. **Radium Ore Device.**--A distributor agrees to discontinue representing that a product designated "Radium Ore Bar" will charge water in which it is immersed with radio activity, imparting therapeutic value thereto, when such is not the fact. and to discontinue publishing purported observations of eminent authorities implying that such authorities indorse the use of water to which has been imparted such radioactive strength as would be imparted by this device, when no such approval has been accorded.

851. **Furniture.**--A distributor who manufactures some of the furniture sold agrees to discontinue representing himself as the manufacturer of the furniture he purchases for resale.

852. **Springs and Mattresses.**--Simmons Co., New York, distributor of springs and mattresses, agrees to discontinue the enforcement of a uniform resale price-maintenance policy.

853. **Motor Oils and Paint Oil.**--A distributor agrees to discontinue the use of the word "Refining" in firm name, and the use of the word " Castor" to designate products tat do not contain castor oil in substantial quantities; to discontinue the use of statements to the effect that certain products are composed wholly or in major part of oil produced in Pennsylvania, and that a certain product is a substitute for genuine linseed oil, when such are not the facts; and to discontinue the use of exaggerated representations relative to the results to be obtained from the use of certain products.

854. **Metal Polish.**--A distributor agrees to discontinue the use of the words " Chromium" and "Kwickrome" to designate compounds that do not contain chromium, and to discontinue the use of the words " Plate" and " Plating"to designate a compound that is not a plating for other products.

855. **Automobile and Marine Specialties.**--A manufacturer agrees to discontinue representing that certain automobile and marine specialties have been "Approved by the Steamboat Inspection, Dept. of Commerce," when no indorsement has been given by any department of the Federal Government.

856. **Malt Products.**--A manufacturer agrees to discontinue the use of the word "Extract" on labels and in advertising matter to designate products that are not malt extracts.

857. **Tracing Paper.**--A distributor agrees to discontinue the use of the word "Linen" to designate a product that is not made of material derived from the flax or hemp plant.

858. **Wooden Ware.**--A manufacturer of bakers' woodenware agrees to dis-continue the substitution of other woods than those advertised and represented, without the knowledge and consent of the purchaser.

859. **Medicinal Products.**--A distributor agrees to discontinue the use of the word " Laboratories" in firm name and to discontinue its use in advertising matter in a manner to imply ownership or operation of a laboratory in which the pharmaceuticals sold are compounded, when neither owning nor operating such a laboratory.

860. **Flavoring Extracts.**--A manufacturer agrees to discontinue the use of the words "Adolph Schultz, Berlin," and "Gustav Schraff Fabrik, Mainz," and the use of pictures suggestive of Germany on labels in advertising matter to designate products that are not made by the German firms designated nor of ingredients imported from Germany.

861. **Malt Products.**--A distributor agrees to discontinue the use of the word " Extract" in firm name and to discontinue its use on labels and in advertising matter to designate products that are not malt extracts.

862. **Golf Tees.**--A distributor of golf tees agrees to discontinue the use of the word "Manufacturer" in a manner to imply ownership or operation of a factory in which the products sold are manufactured, when neither owning nor operating such a factory.

863. **Flavors and Extracts.**--A manufacturer agrees to discontinue using the phrase "No Other Orange Juice is Safe" and making other representations stating or implying that the flavors and extracts sold by competitors may not be used with safety when such is not the fact.

864. **Art Specialties.**--A manufacturer and importer agrees to discontinue assembling and branding his products in a manner to imply that all of the elements of which the art novelties and specialties are composed are imported, when such is not the fact.

865. **Malt Products.**--A distributor agrees to discontinue the use of the word "Extract" in firm name and to discontinue its use on labels and in advertising matter to designate a product that is not a malt extract.

866. **Clothing**--A distributor agrees to discontinue the use of the words " Toyo" and "Panama" to designate hats that are not made from the leaves of the jipijapa tree nor by the process used in the manufacture of Panama hats.

867. **Malt Products.**--A manufacturer agrees to discontinue the use of the word "Extract" in firm name and to discontinue its use on labels and in advertising matter to designate a product that is not a malt extract.

868. **Clothing.**--A distributor agrees to discontinue the use of the word "Panama" to designate women's hats that are not made from the leaves of the jipijapa tree nor by the process used in the manufacture of Panama hats.

869. **Paper.**--A manufacturer of book, writing, and printing papers agrees to discontinue the use of the word " Handmade" in a way to imply that certain papers are made by hand, when such is not the fact, and to discontinue the use of the words " Handmade finish" to designate papers that are made and finished by machinery.

870. **Stock Preparations.**--A distributor of household and stock preparations agrees to discontinue the use in advertising matter of the statement " * * * the only one in this line of business employing a full-time licensed Doctor of Veterinary Medicine," and to discontinue the use of statements to the effect that a licensed veterinarian is employed or is associated with the business, when such are not the facts.

871. **Carbonated Water.**--A manufacturer agrees to discontinue the use of the words “Vichy” and “Artificial Vichy” to designate a product that is not Vichy or an artificial Vichy, and to discontinue the use of the statement ‘ Conforms to the average analysis of the most important Vichy Springs,” when such is not the fact.

872. **Carbonated Water.**--A manufacturer agrees to discontinue the use of the words “Vichy” and “Artificial Vichy” to designate a product that is not Vichy or an artificial Vichy.

873. **Carbonated Water.**--A manufacturer agrees to discontinue the use of the words “Vichy” and “Artificial Vichy” to designate a product that is not Vichy or an artificial Vichy, and to discontinue the use of the statement “Conforms to the average analysis of the most important Vichy Springs,” when such is not the fact.

874. **Clothing.**--A distributor of hosiery, lingerie, and neckwear agrees to discontinue the use of the word “ Knitting” in firm name when neither owning nor operating mills in which the products sold are manufactured; to discontinue the use of the word “ Silk” to designate products not composed of silk; and to discontinue the use in advertising matter and on labels of exaggerated representations as to the value of certain products.

875. **Flavoring Extracts.**--A manufacturer agrees to discontinue the use of the words "imported” and “ Genuine Imported” to designate cosmetic products.

876. **Clothing.**--A manufacturer and importer of women’s bats agrees to dis-continue the use of the word “Panama” to designate hats not made from the leaves of the jipijapa tree nor in accordance with the process used in the manufacture of Panama hats.

877. **Clothing.**--An operator of a department store selling women’s hats agrees to discontinue the use of the word “Panama” to designate hats not made from the leaves of the jipijapa tree nor in accordance with the process used in the manufacture of Panama hats.

878. **Umbrella Covers.**--An importer of fabrics for making umbrella covers agrees to discontinue the use of the word “Taffeta” to designate a fabric not consisting in whole or in substantial part of silk, in which latter case the word “Tatteta” is to be accompanied by a word or words in type equally conspicuous, to the effect that the fabric does not consist entirely of silk.

879. **Process Printing: Stationery.**--A printer agrees to discontinue the use of the words “Engraved” and “Embossed” to designate a raised letter effect produced by printing, which simulates the effect produced by engraving and embossing.

880. **Stationary.**--A printer of hospital record forms agrees to discontinue the use of the words “ Physicians Record Company” in firm name and to discontinue its use in soliciting patronage in a way to imply association with Physicians Record Co., a competitor.

881. **Carbonated Water.**--A manufacturer agrees to discontinue e the use of the words “Vichy” and “Artificial Vichy” to designate a product that is neither Vichy nor an artificial Vichy.

882. **Clothing.**--A mail-order distributor agrees to discontinue using the word “ Manufacturing”, in firm name, representing that purchase of machinery for the manufacture of the hosiery advertised has been made and that distributor’s agents are selling directly from the factory, when neither owning nor operating factories or machinery; to discontinue the use of the word “Silk” to designate a product not consisting in whole or in substantial part of silk, in which latter case the word “Silk” is to be accompanied by a word or words in type equally conspicuous to the effect that the product does not consist entirely of silk; and toe discontinue the use of the word “ Lock-stitch” and representations to the effect that the hosiery sold is fabricated in a distinctive manner which renders it run-proof, when such is not the fact.

883. **Carbonated Water.**--A manufacturer agrees to discontinue the use of the words “Vichy” and “Artificial Vichy” to designate a product that is neither Vichy nor an artificial Vichy.

884. **Automobile Device.**--A manufacturer of an alarm device for use in connection with automobiles agrees to discontinue the use of statements and pictures representing the alarm as a device that actually emits words of warning, when such is not the fact.

885. **Antiques.**--A dealer in alleged colonial coverlets and antiques of wrought iron, pottery, and hooked rugs agrees to discontinue representing that certain machine-made products are hand made or hand woven.

886. **Clothing.**--A manufacturer of work and sport clothing agrees to discontinue the use of the words " Horsehide" and " Genuine Horsehide" to designate products that are not made from the hide of a horse.

887. **Fly-Catching Device.**--A distributor of a " Fly-Catcher" agrees to discontinue the use of the word " Honey" as a trade name or in advertising matter to designate a product that is not composed of honey and of which the ribbon has not been treated with honey.

888. **Stationery.**--A manufacturer of book, writing, and printing paper agrees to discontinue the use of the word "Nippon" and the use of pictorial representations suggestive of Japan to designate products that are not of Japanese origin.

889. **Toys.**--A manufacturer agrees to discontinue using pictorial representations or statements implying that the objects represented on the containers of certain magnetized sticks can be made therefrom, when such is not the fact.

890. **Razor Blades.**--A manufacturer agrees to discontinue the use of the word "Cobalt" or any variation thereof as a part of firm name and to discontinue its use as a trade name or trade-mark or to designate in any way safety-razor blades that do not contain cobalt.

891. **Clothing.**--A manufacturer of women's hats agrees to discontinue the use of the word "Panama" to designate hats that are not made from the leaves of the jipijapa tree nor by the process used in the manufacture of Panama hats.

892. **Carbonated Water.**--A manufacturer agrees to discontinue the use of the words "Vichy" and "Artificial Vichy" to designate a product that is neither Vichy nor an artificial Vichy; and to discontinue the use of the statement " Conforms to the average analysis of the most important Vichy Springs," when such is not the fact.

893. **Antiques.**--A dealer in alleged colonial coverlets agrees to discontinue representing that the machine-made products are hand woven.

894. **Fabrics.**--A distributor agrees to discontinue the use of the words "Crepe," "Chiffon," "Velvet," and " Pongee" to designate dress fabrics that are not composed of silk.

895. Clo**thing.**--A distributor agrees to discontinue the use of the word Manufacturers" in a manner to imply ownership or operation of the mills in which the knit goods sold are manufactured when neither owning nor operating such mills.

896. **Fabrics.**--A distributor agrees to discontinue the use of the word "Manufacturers" in a manner to imply ownership or operation of the mills in which the upholstery fabrics sold are manufactured when neither owning nor operating such mills.

897. **Polishing Liquid.**--A manufacturer of a polishing liquid containing no wax agrees to discontinue the use of the word "Wax" in firm or trade name and in advertising matter.

898. **Paints and Varnishes.**--A distributor agrees to discontinue the use of the word "Manufacturer" in a manner to imply ownership or operation of a factory in which the paints and varnishes sold are manufactured when neither owning nor operating such a factory.

899. **Carbonated Water.**--A manufacturer agrees to discontinue the use of the words "Vichy" and "Artificial Vichy" to designate a product that is neither Vichy nor an artificial Vichy.

900, 901. **Carbon Paper.**--A distributor agrees to discontinue the use of the word " Triplecote" to designate carbon paper that has not been coated three times.

902. **Paper Products.**--A converter and distributor agrees to discontinue the use of the word "Mills" in a manner to imply ownership or operation of a factory in which the paper products are made when neither owning nor operating such a factory.

903. **Typewriter Ribbons.**--A distributor agrees to discontinue the use of the words "Silk," "Silky," and "Silk-Tex" to designate typewriter ribbons that are not made of silk.

904. **Malt Products.**--A distributor agrees to discontinue the use of the words " Enjoy that imported taste" and words of similar import in connection with the sale of malt products made in the United States of domestic ingredients, and to discontinue their use in connection with the sale of malt products made in the United States of ingredients all or part of which have been imported, except in a manner to limit the reference to such ingredients as have been imported and to clearly indicate that the product does not consist entirely of imported ingredients.

905. **Soft Drinks.**--A manufacturer agrees to discontinue the use of the words " Flavor" and "Fruit" in connection with beverages designated "Orange" and "Wine" that are neither composed of nor flavored with fruit; to discontinue the use of the words "Fruit," "Orange," and "Grape" to designate beverages not derived from fruit; and to discontinue the use of the words "Citric Acid" in connection with the product designated "Orange," which contains no citric acid.

906. **Medicinal Products.**--A distributor agrees to discontinue misrepresenting the therapeutic value of the medicine sold; to discontinue using the word "Laboratories" in trade name and in advertising matter when neither owning nor operating a laboratory in which the products sold are compounded, and to discontinue quoting the regular price of the products as a special introductory price.

907. **Cigars.**--A manufacturer agrees to discontinue the use of pictorial representations suggestive of Cuba and the words "Havana," "de Cuba," and "from Cuba" to designate cigars not made entirely of tobacco grown on the island of Cuba.

908. **Food Products.**--A distributor agrees to discontinue representing he has been classified by the Bureau of the Census as a "manufacturer by contract" when not so rated, to discontinue representing ownership or operation of establishments in which the products sold are produced or packed when neither owning nor operating such establishments, and to discontinue representing maintenance of an office in Pasadena, Calif., when no such office is maintained.

909. **Cigars (Stogies).**--A manufacturer agrees to discontinue the use of the word "Navana" or any other word simulating the word "Havana" to designate stogies not made of tobacco grown on the Island of Cuba.

910. **Grave Vaults (Metallic).**--A manufacturer of metal grave vaults agrees to discontinue misrepresenting their durability and to discontinue guaranteeing that they will prove impervious to seepage and corrosion for a half century.

911. **Fabrics.**--A distributor agrees to discontinue the use of the word " importing" in trade name and to discontinue its use in advertising matter in a manner to imply that the distributor imports the fabrics sold, when such is not the fact; to discontinue using a pictorial representation of a building in a manner to imply occupancy of the entire building, when such is not the fact; to discontinue the use of the words "Silk," "Silkette," " Supersilk," "Silk Bengaline," "Crepe," "Ponge," and "Taffeta" to designate products that are not made of silk; and to discontinue the use of the words " English Broadcloth" to designate shirts made from material that is not broadcloth and is not imported from England.

912. **Toilet Preparations.**--A distributor agrees to discontinue the use of the words "Paris" and "Gamine de" to designate cosmetics that are not of French origin.

913. **Food Products.**--An importer and commission merchant agrees to dis-continue the use of labels and advertising matter that imply a certain tomato paste is made from the Italian plum-shaped tomato, when such is not the fact.

914. **Yarn.**--A distributor of yarn products agrees to discontinue the use of the words "Wool-o-silk" to designate a product not consisting of silk and wool in substantial quantities and to discontinue the use of the words "Wool" and Sparklewool" to designate a product not consisting in whole or in substantial part of wool, in which latter case the words are to be accompanied by a word or words in type equally conspicuous, to the effect that the product does not consist entirely of wool.

915, 916. **Song Sheets.**--A publisher of so-called "Song Sheets" agrees to discontinue the use of the words " Popular Song Hits," "Maurice Chevalier Song Hits," "Radio and screen song hits," and similar terms to designate song

sheets consisting of comic verses, parodies on popular song hits, and to discontinue the use of the titles of popular song hits as a caption for such song sheets.

917. **Umbrella Frames.**--A manufacturer agrees to discontinue the use of the words "MADE IN GERMAN style F. U. F. Co." or similar words to designate umbrella frames that are not imported.

918,919. **Umbrellas.**--A distributor agrees to discontinue the use of the words "MADE IN GERMAN style F. U. F. Co." or similar words to designate umbrellas that are not imported.

920. **Lumber (Philippine Mahogany).**--A distributor agrees to discontinue the use of the word "Mahogany" without the modifying term " Philippine " to designate the wood of the Philippine Islands or the products made therefrom.

921. **Cocoa Powder.**--A manufacturer of a product designated "Bittersweet" agrees to discontinue the use of the word " Chocolate" in a manner to imply that the product or the beverages made therefrom is chocolate.

922. **Malt Products.**--A distributor agrees to discontinue the use of the word "Canadian," the address "120 St. James St., Montreal, P. Q., Canada," and pictorial representations of insignia or scenes suggestive of Canada to designate malt products that were not manufactured in Canada nor imported therefrom.

923. **Cigars (Stogies).**--A distributor agrees to discontinue the use of the word "Havana" to designate stogies made of tobacco not grown on the Island of Cuba.

924. **Medicinal Products.**--A distributor agrees to discontinue representing that a certain product will cure sleeplessness, loss of appetite, general debility, nervous depression, gland weakness, and diseases of the stomach and kidneys, when such is not the fact; and agrees to discontinue the use of the word "Laboratories" in firm name and to discontinue its use on labels and in advertising matter in a manner to imply ownership or operation of a laboratory in which the product sold is compounded, when neither owning nor operating such a laboratory.

925. **Paper Products.**--Marion Paper Co., Marion, Ind., and United Paper Board Co., Wabash, Ind., manufacturers of paper and paper products, agree to discontinue fixing uniform prices at which waste paper shall be purchased for them through A. F. Meisterheim, established as a common agent, and to discontinue refusing to purchase from dealers who will not sell through their agent and at the prices quoted by him and from dealers whose salable goods consists in any part of products purchased from dealers who refuse to sell through the established agency.

926. **Exaggeration of Earnings, Designed to Secure Purchasers.**--A breeder of rabbits agrees to discontinue misrepresenting the profits that may be realized from the business of raising rabbits.

927. **Stock Remedies.**--A manufacturer of an alleged remedy for an ailment common to cows agrees to discontinue misrepresenting the therapeutic value of the product.

928. **Medicinal Products.**--A distributor of an alleged remedy for ailments of the stomach and intestines agrees to discontinue the use of the word "Laboratories" in firm name and to discontinue its use in advertising in a manner to imply ownership or operation of a laboratory in which the product sold is compounded, when neither owning nor operating such a laboratory, and to discontinue representing that the product is a competent treatment for diseases of the stomach and intestines, when such is not the fact.

929. **Paints and Varnishes.**--A manufacturer of paints, lacquers, bronze powders, and stencils agrees to discontinue the use of the word "Aluminum" to designate products not composed in whole or in substantial part of aluminum, in which latter case the word "Aluminum" is to be accompanied by a word or words in type equally conspicuous to the effect that the product is not composed entirely of aluminum.

930. **Transfer Pictures and Bronze Powder.**--A distributor of transfer pictures, transfer adhesives, bronzing liquids, and bronze powders agrees to dis continue the use of the word "Aluminum " to designate products not composed in whole or in substantial part of aluminum, in which latter case the

word "Aluminum" is to be accompanied by a word or words in type equally conspicuous to the effect that the product is not composed entirely of aluminum.

931. **Clothing.**--A manufacturer of shoes agrees to discontinue the use of the word "Doctor" followed by a fictitious name on infants' and children's shoes that are not made in accordance with the designs or under the supervision of an orthopedist.

932. **Torch Tips.**--A manufacturer agrees to discontinue the use of the letters "K-G" to designate torch tips that are not "K-G" torch tips.

933. **Coupons.**--A distributor of coupons to be used by retailers in connection with the sale of their products agrees to discontinue claiming to be a representative of Eastman Kodak Co., when such is not the fact, and to discontinue representing that cameras or other merchandise distributed is given free of charge when the cost is included in either the charge made for packing and shipping or the charge made for other merchandise purchased.

934. **Toilet Preparations.**--A manufacturer of toilet products, including soap, creams, and powders, agrees to discontinue misrepresenting the effectiveness of a certain treatment for enlarged pores; to discontinue representing that a certain doctor was former chairman of an organization known as "American Society of Dermatologists," and to discontinue the use of the statement "These noted dermatologists unanimously found respondent's soap most effective of all beauty aids," when such is not the fact.

935. **Electric-Light Pendant.**--A distributor agrees to discontinue the use of the word "Radium" to designate electric light pendants that are not made of radium and have no radioactive properties.

936. **Song Sheets.**--A publisher of so-called " Song Sheets " agrees to discontinue the use of the words " Broadway and Hollywood Popular Songs " and "Songs of radio, stage, and screen " to designate song sheets consisting of comic verses, parodies on popular song hits, and other similar compositions.

937. **Coupons.**--A distributor of coupons to be used by retailers in connection with the sale of their products agrees to discontinue claiming to be a representative of Eastman Kodak Co., when such is not the fact, and to discontinue representing that cameras or other merchandise distributed is given free of charge when the cost is included in either the charge made for packing and shipping or the charge made for other merchandise.

938. **Varnishes.**--A manufacturer agrees to discontinue the use of the word Rubber "to designate varnishes, lacquers, and other industrial finishes that do not consist of rubber in whole or in substantial part.

939. **Cosmetics, Hosiery, and Jewelry.**--A manufacturer of cosmetics agrees to discontinue the use of the words "Poudre de" "Fleur de" and "Jardin de" and other French words, either alone or in connection with the word "Paris," in a manner to imply the products so designated are manufactured in Paris or imported therefrom, when such is not the fact; to discontinue misrepresenting the value of the products; to discontinue quoting the regular prices as special, reduced prices for a limited time only; to discontinue representing that any merchandise is given free of charge, when the cost of the purported gratuity is included in the price of the product with which it is alleged to be given free of charge; and to discontinue the use of the word "Pearl" to designate products other than genuine pearls.

940. **Barber and Beauty Supplies.**--An incorporated association consisting of distributors of barber and beauty supplies agrees to discontinue providing manufacturers with lists of members and requesting, threatening, and coercing such manufacturers in an effort to induce them to distribute their products through association members only.

941. **Jewelry, Perfume, Fabrics, and Novelties.**--A distributor agrees to dis-continue the use of the words "Paris," "Poudre," "Parfum," and "Henriot Parfumers " and any other French words, to designate products that are not manufactured in France; to discontinue the use of the words "English" and "Broadcloth" to designate a product that is not made in England and is not broadcloth; to discontinue the use of the word " London" to designate products that did not originate in London or in England; to discontinue the use of the words "Pearl," "Pearls," "Unbreakable Pearls," and "Indestructible Pearls" to designate destructible imitation pearls and products made there-

from to discontinue the use of the words "Crystal," "Amber," and "Ivory" to designate products that are not crystal, amber, or ivory and are not made therefrom; to discontinue the use of the words "Platinum," "Platignum," or any other derivation of the word platinum to designate products not coin-posed of platinum; to discontinue the use of the word "Leather " to designate products not made of leather; and to discontinue the use of fictitious and exaggerated prices of the products offered for sale in combination sales.

942. **Tobacco Products.**--A manufacturer agrees to discontinue the use of endorsements that are not the unbiased opinions of users of the product and to discontinue the use of endorsements given for a monetary consideration unless accompanied by a statement to that effect.

943. **Bottles.**--A manufacturer agrees to discontinue impressing the words " One Pint," "Full Pint," or "Half Pint" upon glass bottles having a capacity less than that indicated and stamped thereon.

944. **Electrical Products.**--A manufacturer of electric clocks and lamps agrees to discontinue representing that he holds patents on the products.

945. **Soap.**--A manufacturer agrees to discontinue the use of the word "Witch Hazel" to designate soap that does not contain witch hazel in sufficiently substantial quantities as to be so designated.

946. **Clothing.**--A distributor agrees to discontinue the use of the word "Fashioned" to designate hosiery that has not been manufactured by the method used to produce fashioned hosiery.

947. **Correspondence School; Aviation.**--A conductor of a correspondence school of instruction in aviation agrees to discontinue misrepresenting the scope of the instruction, the demand for and opportunities open to its graduates, and the financial benefits the students will realize.

948. **Psoriasis, Alleged Cure.**--A distributor agrees to discontinue representing that two alleged remedies distributed are competent to cure psoriasis, when such is not the fact.

949. **Bay Rum.**--A manufacturer agrees to discontinue the use of the word "St. Thomas" on labels designating bay rum that is not manufactured at St. Thomas, in the West Indies.

950. **Stock Preparations.**--A manufacturer agrees to discontinue representing that his salesmen are representatives of Drovers Veterinary Union or that he has purchased Drovers Veterinary Union, when such are not the facts; to discontinue representing that Drovers Veterinary Union has cheapened or changed its formula when such is not the fact; and to discontinue representing that a certain product is made from the same formula from which the product made by the Drovers Veterinary Union designated "Third Degree" was formerly made, when the "Third Degree" continues to be made by the Drovers Veterinary Union, and by the formula always used by them.

951. **Carbon Paper and Typewriter Ribbons.**--A distributor agrees to discontinue the use of the word "Manufacturing" in firm name and to discontinue its use in any manner to imply ownership or operation of a factory in which the carbon paper and typewriter ribbons sold are manufactured, when neither owning nor operating such a factory.

952. **Yeast.**--A manufacturer agrees to discontinue representing that the yeast manufactured by him is standard for vitamin studies of the United States Government and leading universities, when such is not the fact.

953. **Celery.**--A distributor agrees to discontinue representing that the celery sold has been treated before shipment by a " Precooling " process, when such is not the fact.

954. NOT RELEASED.

955. NOT RELEASED.

956. **Bay Rum.**--A manufacturer agrees to discontinue the use of the words "St. Thomas," either alone or in connection with the words "Genuine," "West Indies," "Porto Rico," and "American West Indies" to designate bay rum that is not manufactured in the places named; and to discontinue the use of the words "Growers," "Distillers," "Distilling," and "Importers" in a manner to imply distillation of the products sold, or cultivation of the bayberry plant, when either cultivating the plant nor distilling the bay rum.

957. **Soap.**--A manufacturer agrees to discontinue the use of the word "With Hazel" to designate toilet soap that does not contain witch hazel in sufficiently substantial quantities to be so designated; and to discontinue the use of the word "Antiseptic " to designate toilet soap that possesses only the antiseptic properties usually found in ordinary soap.

958. **Groceries.**--A distributor agrees to discontinue misrepresenting the weight of soap and of other commodities sold.

959. **Nursery Stock.**--A grower of nursery stock agrees to discontinue replacing stock purchased from another company without disclosing the fact that the replacement is being made by other than the company from whom the stock was purchased; to discontinue taking orders from customers from whom orders were formerly taken as agent of another company, without disclosing the fact that such orders are not now being taken for that company; and to discontinue representing that agents are representing "the big nursery at Owatonna" or any nursery other than that which the agents are in fact representing.

960. **Clothing.**--A manufacturer of men's clothing agrees to discontinue the use of the words "Hand Work" to designate garments that are not hand tailored; to discontinue representing that work is done by union labor, when such is not the fact; and to discontinue representing that over 4,000 representatives are employed to carry a line of samples to homes, offices, and factories for the inspection of prospective purchasers, when such is not the fact.

961. **Clothing.**--A manufacturer of men's shirts and collars agrees to discontinue the use of the words " English Broadcloth " to designate products not made or broadcloth manufactured in England; and to discontinue the use of figures " 2 x 1 " to designate products made of fabric in which the threads do not run two in the warp and one in the filling.

962. **Malt Products.**--A manufacturer agrees to discontinue representing that an alleged malt extract manufactured will perform the same or similar functions in the metabolism of the human body as cod-liver oil, when such is not the fact.

963. **Stock Remedies and Medicinal Products.**--A manufacturer agrees to discontinue misrepresenting the therapeutic value of certain alleged remedies for diseases common to livestock; to discontinue representing that a certain treatment is an effective remedy for certain diseases of live stock when no scientifically recognized remedy has been discovered for those diseases; and to discontinue representing that a product designated "Stomach Medicine" is a competent remedy for chronic troubles of the human stomach, when such is not the fact.

964. **Soap.**--A distributor of soap agrees to discontinue circulating a test or formula designed to show that soaps made with animal fats contain free alkali, when such is not the fact; and to discontinue publishing a warning against the use of soaps that contain animal fats on the score that most soap are made of animal fats or grease that you scrape from the dinner dishes, that they leave a greasy film on the skin that clogs the pores, make the skin coarse, prevent it from throwing off the poisonous bodily excretions, and often causes eruptions, when such are not the facts.

965. **Vermin Exterminator.**--A manufacturer agrees to discontinue representing that cats and dogs will not eat a certain vermin exterminator and that it will mummify the carcasses of rats and mice, thus preventing offensive odors, when such are not the facts.

966. **Books.**--A publisher of a book designed to inform importers relative to the customs tariff, United States customs procedure, and procedure at different ports in the United States agrees to discontinue the use of the words "United States " in firm name and to discontinue the use of the words "United States," "U.S. Commerce Publications," and the representation of an eagle, or other insignia, in a manner to imply affiliation with or indorsement by the United States Government, when neither a part of nor officially indorsed by the Federal Government; and to discontinue representing that the address of the publishers is the United States Customs Building in New York City and that some of its officers are officially connected with the United States Customs Service or were interested in the publication while so connected, when such are not the facts.

SPECIAL FALSE ADVERTISING CASES

0120. **Misleading Offers of Rewards, and Alleged Cures for Catarrhal Ailments, Headache, Bruises, cuts, Rheumatism, Skin Diseases, Coughs, Toothaches, Warts, and Corns.--**A vendor agrees to discontinue representing that a certain salve is a powerful germ-killing ointment that will cure catarrhal ailments, headache, bruises, cuts, rheumatism, skin diseases, coughs, toothaches, seed warts, and corns; and to discontinue the offering of a $50 reward, subject to unreasonable conditions, should the salve fail to prove effective, unless such conditions are disclosed in conjunction with the offer.

0121, 0122. **Bashfulness and Nervous Disorders, Alleged Cure.--**The publishers of two magazines circulated among the film fans agree to discontinue carrying advertising matter of vendor of an alleged cure for bashfulness and nervous disorders.

0123. **Tires and Tubes, Alleged Reduced Prices, Misleading Advertisements Offering Home Work and Excessive Premiums to Agents, and Alleged Cures for Fits and for the Tobacco Habit.--**The publisher of a middle-western periodical agrees to discontinue carrying advertising matter of two companies offering. automobile tires and tubes direct to the consumers at prices purporting to be greatly reduced, a company purporting to be offering home work making dress shields, a company selling salves and offering valuable premiums to agents sending in small orders for a certain salve, a company selling an alleged cure for fits, and a company selling an alleged "quick cure" for the liquor habit.

0124. **Malt Syrups.--**The publisher of a middle-western daily of wide circulation, agrees to discontinue carrying advertising matter of a certain manufacturer of malt syrup.

0125. **Civil-Service Examinations, Alleged Correspondence Institute.--**The publisher of a magazine of wide circulation among sportsmen, agrees to discontinue carrying advertising matter of an alleged institute furnishing correspondence courses of instruction for civil-service examinations.

0126. **Men's Diseases, Alleged Cure.--**The publisher of a sporting periodical agrees to discontinue carrying advertising matter of vendor of an alleged treatment for men.

0127, 0128. **Correspondence School: Railroad Service.--**The publishers of two household magazines of wide circulation, agree to discontinue carrying advertising matter of an alleged bureau offering correspondence courses to prepare men for railroad service as firemen, brakemen, baggage men, porters, etc., and tendering them assistance in securing positions.

0129. **Tissue Builder.--**The publisher of a magazine of wide circulation agrees to discontinue carrying advertising matter of vendor of a cream alleged to develop various parts of the human body.

0130. **Tobacco Habit, Alleged Cure.--**F. A. Flinn, Rex C. Pettegrew, Elmer E Cram, Mrs. Albert Rasmuss, Mrs. R. W. Flinn, and Miss Helen Bates, trading as the Anti-Tobacco League, Omaha, vendors of an alleged cure for the tobacco habit, agree to discontinue the use of the name "Anti-Tobacco League" and the use of any titles following signatures to any communication that imply an official position in any association or league; and to discontinue representing that the average cigarette smoker becomes emasculated, that one of the most frequent effects of excessive smoking is the gradual failing of eye-sight, and that the alleged cure will not only rid the tobacco user of the craving, but will overcome the condition that occasions the craving, thus producing permanent results, when such are not the facts.

0131. **Nervous Disorders, Alleged Cure.--**L. Heuman and Co., vendor of an alleged cure for nervous disorders, designated "Nerosol," agrees to discontinue representing that Reverend Heuman is alive, and the product manufactured by him or under his direction, when such are not the facts; to discontinue representing that "Nerosol" is approved by any branch of the United States Government, that it is a double treatment compounded from ingredients from all over the world, and gives permanent relief, when such are not the facts; and to discontinue circulating a warranty in the form of a guaranty or bond, unless actually guaranteed by a third party.

0132. **Tissue Developer.--**Mlle. Sophie Koppel, vendor of an alleged tissue developer designated "Growdina," agrees to discontinue representing that "Growdina" was discovered by Mile. Sophie Koppel and that she is a famous

Parisian beauty culturist, when such is not the fact; to discontinue representing that "Growdina" agitates the white corpuscles so they invade the tissue and stimulate the fat cells, and that this will in itself, without the aid 'of massage, diet, or exercise, develop new contour or figure, when such is not the fact.

0133. **Tapeworm, Alleged Cure.**--Dr. C. M. Coe (Inc.), St. Louis, vendor of ail alleged cure for tapeworm, agrees to discontinue advertising the product, and to limit its sale to the filling of unsolicited orders.

0134. **Kidney, Bladder, and Prostate Troubles, Alleged Cure.**--H. W. Barton, trading as W. B. Way Co., Kansas City, Mo., vendor of an alleged treatment for kidney, bladder, and prostate troubles, agrees to discontinue the use of the word " Prostatis " to designate the product and to discontinue representing that it is a competent treatment for the troubles indicated, when such is not the fact.

0135. **Skin Trouble, Alleged Cure.**--D. D. D. Corporation, Batavia, Ill., vendor of a skin lotion designated "D. D. D.," agrees to discontinue representing that the lotion is a competent treatment for eczema and ulcers, and to discontinue representing it is a competent treatment for " any form of skin disease," without a qualifying statement to the effect that it is not efficacious in all cases of itching skin, or in all cases of pimples or skin blemishes.

0136. **Imitation Diamonds.**--Alice Gutterman, trading as Crystal Diamond Co.. New York City, vendor of glass crystals designated "French Diamonds," agrees to discontinue the use of the word " Diamond " in firm name and the use of the word "Jeweler" in a manner to imply rating as a jeweler; to discontinue representing that crystals are sent free, unless there is no charge made for packing and postage, and unless no attempt is made to sell ring and stick-pin mounting for same, and that any article is "free," when a sum is charged for mounting same, which sum covers the cost of the article purported to be given free of charge; to discontinue advertising that only two crystals will be sent to one address, that crystals will be sent only to readers of the publications carrying the advertisements, and that a specified time limit has been set for acceptance of orders, unless such conditions are imposed; and to discontinue quoting as "special" offers prices that are the customary terms made in the usual course of business.

0137. **Exaggeration of Earnings, Designed to Secure Agents.**--John J. Black, trading as Buss-Beach Co., Chippewa Falls, Wis., vendor of soaps, washing powders, etc., alleges he has discontinued a method formerly used by him in advertising for agents; and agrees to discontinue representing himself as a manufacturer of the products he sells, with established distribution centers for same, when neither owning nor operating factories, nor having established distribution centers.

0138. **Lip-Reducing Cream.**--Nell Cameron, trading as Cloree, New York City, vendor of a preparation designated "Cloree Lip Reducing Cream," alleges advertising has been discontinued and agrees to limit the sale of the preparation to the filling of unsolicited orders.

0139. **Revitalizing Treatment and Bust Developer.**--C. A. Davis, trading as Jennie L. Cook Co., Los Angeles, vendor of a massage cream designated "Orange Flower Flesh Food," alleged to develop the bust and revitalize the system, a tonic designated "Gland Aid Tablets," and a laxative tablet, agrees to discontinue representing that the vendor is a woman, and that statements in the advertising literature are from one woman to another; and to discontinue representing that the Jennie L. Cook Co. is composed of Parisian beauty culturists, that the mere application of the cream will develop any part of the body, that the treatment is Parisian, French, scientific, efficacious as a constitutional vitalizer, a tissue builder, a blood purifier, and a developer of grace and beauty, which will give equally satisfactory results to all users, regardless of age, when such are not the facts.

0140. **Hair Tonic.**--A. R. Smith, trading as Sunlight V. Laboratory, Ramsey, Ill., vendor of a product designated "Sunlight Hair Tonic," agrees to discontinue the use of the word "Laboratory" in firm name, when neither owning nor operating a laboratory in which the product sold is compounded; and to discontinue representing that "Sunlight Hair Tonic" is the only harmless preparation of its kind and that it will restore color, all shades being obtain-able from one bottle, or impart luster and vigor, and prove to be a cure for unsatisfactory hair, when such are not the facts.

0141. **Fits, Epilepsy, and Convulsions, Alleged Cures.**--Katherine Steel, trading as Victoria Manufacturing Co., Detroit, vendor of an alleged treatment for fits, epilepsy, and convulsions, alleges advertising has been discontinued and agrees that she will not continue the sale of the product in interstate commerce.

0142. **Wrinkle Remover.**--An advertising agency agrees to discontinue handling advertising matter of vendor of an alleged wrinkle remover.

0143. **Hair-Coloring Device.**--An advertising agency agrees to discontinue handling advertising matter of vendor of a pencil alleged to color gray hair.

0144. **Correspondence School: Civil Service.**--An advertising agency agrees to discontinue handling advertising matter of a correspondence school alleged to tutor students for civil-service examinations.

0145. **Therapeutic Appliance.**--The publisher of a daily newspaper of large circulation, in the vicinity of Washington, D.C., agrees to discontinue carrying advertising matter of vendor of an appliance alleged to contain radium in quantity to have therapeutic value.

0146. **Bladder Trouble, Alleged Cure.**--The publisher of a daily newspaper of large circulation, in the vicinity of Washington, D. C., agrees to discontinue carrying advertising matter of vendor of an alleged treatment for bladder trouble and kindred ailments.

0147. **Rheumatism, Alleged Cure.**--The publisher of a daily newspaper of large circulation, in the vicinity of Baltimore, agrees to discontinue carrying advertising matter of vendor of an alleged treatment for rheumatism.

0148. **Intestinal Disorders, Alleged Cure.**--The publisher of a farm magazine in the South agrees to discontinue carrying advertising matter of vendor of an alleged remedy consisting of a saline laxative in solution.

0149. **Puzzle Advertisements Designed to Secure a Mailing List, Inhaling Appliance, and Alleged Cures for Skin Trouble, Asthma, Catarrh, and Diabetes.**--The publisher of a home magazine of national circulation agrees to dis-continue carrying advertising matter of a certain publisher using puzzle advertisements as a device to secure a mailing list, and of certain vendors of an alleged remedial appliance for inhaling medicine, and alleged cures for skin troubles, asthma, catarrh, and diabetes.

0150. **Therapeutic Appliance and Alleged Cures for Gland Trouble and Constipation.**--The publisher of a daily newspaper of large circulation, in California agrees to discontinue carrying advertising matter of vendors of an electric appliance alleged to have therapeutic value, a magnetic appliance alleged to be effective in treatment of the prostate gland, and an alleged cure for constipation.

0151. **Rheumatism, Alleged Cure.**--An advertising agency agrees to discontinue handling advertising matter of vendor of an alleged cure for rheumatism.

0152. **Moles and Warts, Alleged Cures.**--Dr. William Davis, Woodbridge, N. J., agrees to discontinue representing that a certain treatment for moles, warts, and growths will banish moles or big growths or that it may be safely used other than under the supervision of a physician, when such is not the fact.

0153. **Perfume.**--A. Abramson, trading as Parisian Products Co., New York City, vendor of a perfume designated "Charm D'Amour," alleges advertising has been discontinued, and agrees to confine the sale of the product to the filling of unsolicited orders.

0154. **Asthma, Catarrh, and Bronchitis, Alleged Cures.**--Atlas Medic Co., Buffalo, agrees to discontinue representing that a certain treatment will restore to health, sufferers from asthma, catarrh, and bronchitis, and that the use of samples of this preparation will prove the competence of the treatment, when such are not the facts.

0155. **Books and Pictures.**--Philip H. Simmons, trading as Park Art Co., and Universale Co., New York City, agrees to discontinue representing that certain books, pamphlets, and pictures were imported from France, when such is not the fact, and to discontinue other similar misrepresentations.

0156. **Blood Tonic and Laxative.**--A newspaper publisher agrees to discontinue carrying advertising matter of vendor of an alleged tonic and laxative.

0157. **Bladder Trouble, Alleged Cure.**--A newspaper publisher agrees to dis-continue carrying advertising matter of vendor of an alleged bladder treatment.

0158. **Exaggeration of Earnings, Designed to Secure Agents.**--J. E Johnson & CQ., Chicago, vendor of liquid cement, agrees to discontinue representing that dealers Cr agents can earn more than the average earnings of the average dealers or agents under normal conditions, when such is not the fact.

0159. **Asthma, Alleged Cure.**--A vendor agrees to discontinue representing that the alleged treatment will stop attacks of asthma, when such is not the fact.

0160. **Rheumatism and Kidney and Bladder Troubles, Alleged Cures.**--Lexoid Co. and Dr. H. Michell De Werth, Cleveland, vendors of a product designated Threefold Lexoid Treatment," alleged to be a remedy for kidney and bladder weakness, muscular and subacute rheumatism, and kindred ailments, agree to discontinue representing that H. Michell De Werth is a specialist of 20 years' experience or an experience of any other length of time,. in the treatment of the ailments above enumerated, and that he, or any other physician, advises the users of the treatment, unless and until such advice is available to purchasers of the treatment; to discontinue representing that the product will cure kidney, bladder, or rheumatic trouble, and remove the cause, having pr oven efficacious in cases where all other remedies had failed, when such is not the fact; to discontinue representing that any prices are "special" or for a limited time only, unless such prices are less than those customarily quoted under similar e circumstances and unless orders at the price quoted, received after the expiration of the time limit, are refused; and agree to acknowledge primary responsibility for all representations contained in any testimonials published, the Federal Trade Commission to consider any such testimonials as direct representations of respondent, and to refrain from disclosing the contents of all letters received by them from so-called "patients."

0161. **Puzzle Advertisements Designed to Secure Subscribers.**--A publisher using the puzzle form of advertising to secure subscribers agrees to discontinue representing that any prizes offered are free, and that any prize is offered for the mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0162. **Puzzle Advertisements Designed to Secure Agents and Subscribers.**--A magazine subscription agency using the puzzle form of advertising to secure subscribers and solicitors agrees to discontinue representing that any prizes offered are free and that any prize is offered for the mere solution of a puzzle, when such are not the facts ; to discontinue representing that a certain con-test for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited ; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0163. **Rheumatism and Neuritis, Alleged Cures.**--H. & J. Laboratories, Parkersburg, W. Va., vendor of two products designated "Orange Brand Tonic" and "Golden Nuggets," agrees to discontinue representing that the products are a competent remedy for rheumatism, neuritis, and kindred ailments, when such is not the fact.

0164. **Blood and Skin Disease., Alleged Cure.**--Edwin B. Meeks, trading as Panter Remedy Co. and advertising as Doctor Panter, agrees to discontinue representing that Doctor Panter is living and distributing an alleged specific for blood and skin diseases, and to discontinue representing that the preparation has been used successfully for over 25 years in the most severe and chronic cases, that it will cure social diseases, and any skin diseases, and be effective in the treatment of high blood pressure regardless of the cause, when the treatment will do nothing more than aid and relieve the patient.

0165. **Piles, Alleged Cure.**--The publisher of a large eastern daily newspaper agrees to discontinue carrying advertising matter of vendor of an alleged treatment for piles.

0166, 0167. **Massage Cream.**--A magazine publisher agrees to discontinue carrying advertising matter of vendor of a massage cream-

0168. **Bladder and Prostate Trouble and General Debility, Alleged Cures.**--Harry D. Powers, trading as Palmo Co., Battle Creek; Mich., a distributor of "Palmo Globules," an alleged cure for bladder trouble, cystitis, and general debility, agrees to discontinue representing that any definite proportion of men are afflicted with prostatic trouble, unless such representation is based upon authentic information; to discontinue representing that the treatment will cause the user to sleep all night, without a qualifying statement to the effect that this is true only when the sleeplessness is due to bladder and urinary irritation; and to discontinue representing that the preparation will produce a soothing or healing action that will convince the most skeptical, when such is not the fact.

0169, 0170, 0171, 0172. **Puzzle Advertisements Designed to Secure Subscribers.**--A publisher, using the puzzle form of advertising to secure subscribers, agrees to discontinue representing that any prizes offered are free and that any prize is offered for the mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0173. **Blood Diseases, Piles, Gallstones, and Epileptic Fits, Alleged Cures.**--The publisher of a newspaper of national circulation agrees to discontinue carrying advertising matter of vendor of an alleged treatment for blood diseases, piles, and epileptic fits, an alleged remedy for gallstones, and a prescription alleged to restore lost manhood.

0174, 0175. **Massage Cream.**--The publisher of several magazines agrees to discontinue carrying advertising matter of vendor of a massage cream.

0176. **Electromagnetic Appliance.**--The operator of a large broadcasting station agrees to discontinue broadcasting advertising matter of vendor of an electromagnetic coil or appliance.

0177. **Face Cream.**--Marvo (Inc.) and William Witol, New York City, vendors of a skin peel designated "Marvo," agree to discontinue representing that testimonials published are absolute proof or undeniable evidence of the claims made for "Marvo" and that it is a treatment for which foreign beauty doctors have charged enormous sums, when such are not the facts; to discontinue quoting the regular price as a special, reduced price; to discontinue representing that "Marvo" will within three days' time remove pimples, blackheads, large pores, crows-feet around the eyes, wrinkles, and the disfiguring effects of acne, leaving a flawless new skin that will not be injured by weather or conditions of temperature, without a qualifying statement to the effect that the treatment will remove the blemishes specified only in so far as they appear in the outer layer of skin, and that the new skin will be immune to weather and conditions of temperature only to the extent that the old skin was immune.

0178. **Matrimonial Agency.**--Shuford M. Futch, trading as Eva Moore, Jacksonville, conductor of a matrimonial agency, agrees to discontinue the use of the name "Eva Moore" as a trade name, or any other name that will imply a woman is conducting the agency; to discontinue representing that any pamphlet is sent free unless it is sent without charge and without imposition of any conditions; and to discontinue representing that the agency will procure a sweetheart for any prospective subscriber.

0179. **Hair Dye.**--Beautifactors (Inc.), New York City, vendor of a hair dye designated "Restoria," agrees to discontinue the use of the name "Restoria," and to discontinue representing that the compound is a French discovery that will restore color to gray hair, is harmless and undetectable, when such are not the facts.

0180. **Ulcers, Gastritis, and Indigestion, Alleged Cures.**--A vendor of medicated tablets alleged to cure ailments due to hyperacidity agrees to discontinue representing that a trial offer is "free," unless and until no expenditure is necessary on the part of the recipient; to discontinue representing that any reward or guaranty as to testimonials refers to the truth of the state-

ments therein contained, unless ail such statements are duly verified; to discontinue representing that the tablets are a competent treatment for stomach trouble and will afford immediate relief from pain and vomiting, without a statement limiting their effectiveness to stomach trouble due to hyperacidity or faulty diet; to discontinue representing that no diet is involved in the treatment, when such is not the fact ; and to discontinue the use of the word "Laboratories" in firm name, when neither owning nor operating a laboratory in which the product sold is compounded.

0181. **Gallstones, Stomach Trouble, Nervous Disorder., Jaundice, and Constipation, Alleged Cures.--**Frank Grauzow, trading as Dr. Hildebrand Laboratories, Chicago, vendor of an alleged treatment for gallstones, stomach trouble, nervousness, jaundice, and constipation, agrees to discontinue representing that the treatment will cure the ailments specified when such is not the fact; to discontinue representing that any prices are "special" or for a limited time only unless such prices are less than those customarily quoted under similar circumstances and unless orders at the price quoted, received after the expiration of the time limit, are refused ; to discontinue representing that sums of money will be paid for names sent in when such is not the fact; to discontinue representing that so-called "checks" are gratuities and that so-called "coupon books" are worth $19.50 or any other sum, and that they are gratuities limited to the use of old customers, unless and until such checks or coupon books reduce the price of the treatment and are refused to any but old customers to discontinue representing that a treatment consisting of 100 capsules is a complete treatment when such is not the fact, and when it is later suggested that purchaser should have known better than to believe respondent's representations that the first treatment would constitute a "complete remedy" that purchaser should continue to buy such treatment and use it daily after he is "well"; and to discontinue representing that testimonials are unsolicited unless they are received by respondent without solicitation.

0182. **Colds and Catarrh, Alleged Cure.--**Aeriform Co. (formerly Aeriform Laboratories), Cincinnati, vendor of an inhaler and medicated tablets for use in treating colds, catarrh, and similar ailments, agrees to discontinue representing that 1,000 people are killed weekly by lung and bronchial trouble; to discontinue representing that a month's treatment of the " Dr. Beaty Blood Tonic" is sent free to the purchaser of the inspirator and medicated tablets when the cost of the tonic is included in the price paid for the inspirator; to discontinue representing that the "Dr. Beaty Blood Tonic" purifies the blood and that the "Aeriform Vapor Treatment" is a competent remedy for lung trouble and catarrh when such are not the facts.

0183. **High Blood Pressure, Alleged Relief.--**L. E Bowen, trading as Artery-Lax Co., Chicago, vendor of "Artery-Lax," an alleged treatment for high blood pressure, alleges advertising has been discontinued and will not be resumed.

0184. **Hair Dye.--**Yvonne Bebeaux, New York City, vendor of a hair dye, agrees to discontinue representing that the dye is a "Color restorer" perfected by a French scientist when such is not the fact; agrees to discontinue representing offices have been established in Paris, in London, or in any other place, unless and until such offices are established in the places named; and to discontinue representing that the compound will change the color to the youthful color of the hair, that it recolors the hair shaft, and that the hair never grows gray again, when such are not the facts.

0185. **Skin Trouble, Alleged Cure.--**Curetive Laboratories, vendor of " Curetive," an alleged remedy for skin diseases, agrees to discontinue advertising and offering the product for sale.

0186. **Hygienic Preparations.--**Max Elman, trading as Germico Pharmaco, vendor of "Germico Hygienic Powder " and " Germico Vaginal Suppositories or Cones," agrees to discontinue advertising and selling the product.

0187, 0188. **Contest Advertisements Designed to Secure Agents.--**A magazine publisher agrees to discontinue representing that the automobiles and other prizes offered in advertised contests conducted as part of a plan to secure local agents to solicit subscribers, and secure a mailing list, are given to the contest-ants free, unless and until such prizes are given without requiring contestants to make a payment of money or to render personal service.

0189. **Eczema, Alleged Cure.--**Floyd IL Perkins and Mrs. E M. Boyer, trading as American Vienna Co., Battle Creek, vendors of an alleged cure for

eczema, agree to discontinue the use of the word "Vienna" in trade name within six months ; agree to discontinue representing that a "free trial" of the treatment is offered unless and until the treatment is sent other than on a money-back guaranty, with payment of the full price required in advance; to discontinue representing that any prices are "special" or for a limited time only, unless such prices are less than those customarily quoted under similar circumstances and unless orders at the price quoted, received after the expiration of the time limit, are refused; and to discontinue representing that the product is a competent remedy for eczema, when such is not the fact.

0190. **Medicinal Products.--**Carroll V Gianitrapany, trading as Modern Sales Co. and La France Laboratories Co., New York City, vendor of "French Vigor Tabs, French Toniquettes," alleged to be pep tablets, agrees to discontinue advertising the product, or any similar medicinal preparation, and to discontinue the sale of the product in interstate commerce.

0191. **Skin Trouble, Alleged Cure.--**Frederick H. Young Co., Toledo, vendor of "Young's Victoria Cream," alleged to correct ail skin troubles, agrees to discontinue representing that a present will be sent the prospective customer free of charge, when the cost of the purported gratuity is included in the price charged for the cream ; and to discontinue representing that the product will, in a short time, remove all skin blemishes, without a qualifying statement to the effect that the cream is not effective in ail cases.

0192. **Misleading "Help Wanted" Advertisements and Civil-Service Correspondence School.--**Ray Rennison, trading as Rayson Institute, Denver, agrees to discontinue representing the school is an institute, when such is not the fact; to discontinue inserting advertisements in the "Help Wanted" columns, when having no employment to offer; to discontinue the course of instructions for forest ranger; to discontinue representing that civil-service examinations for certain positions are to be held, that the general clerical examination includes the departmental service, and that a position in the classified civil service has unlimited opportunities for advancement, when such are not the facts; to discontinue representing that the position of railway mail clerk enables the clerk to travel extensively, work less than the required number of hours, work either in mail cars or terminals, as desired, travel in Pullman cars while on duty, and transfer from one position to another at will or without departmental direction, when such are not the facts; and to discontinue representing that railway mail clerks travel on expense money without stating the conditions under which such expense money is paid.

0193. **Kidney Trouble, Alleged Cure.--**A vendor of an alleged cure for kidney trouble agrees to discontinue representing that the product is a cure for kidney diseases, when such is not the fact ; and to discontinue representing that it is a cure for disorders arising from kidney weakness, without a qualifying statement to the effect that it will remedy such disorders only as they may be remedied by the alleviation and relief of bladder irritations.

0194. **Puzzle Advertisements Designed to Secure Agents and Subscribers.--**A publisher using the puzzle form of advertising to secure subscribers and solicitors agrees to discontinue representing that any prizes offered are free and that any prize is offered for the mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0195. **Puzzle Advertisements Designed to Secure Agents.--**A vendor using the puzzle form of advertising to secure local agents to sell "Helen Dawn Toiletries" agrees to discontinue representing that any prizes offered are free and that any prize is offered for the mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0196. **Hair Dye.--**Monroe Chemical Co., trading as Mary T. Goldman, St. Paul, agrees to discontinue representing that Mary T. Goldman, the discoverer

of the hair dye, is actively engaged in the business, when such is not the fact, and attributing to her statements and representations without indicating that such were made during her lifetime; to discontinue representing that the dye is a "scientific hair color restorer" that never falls to restore the natural youthful shade of the hair, the treatment taking only seven or eight minutes and requiring only a few cents worth of the product, the color gradually creeping back so that the gray hair regains its youthful color overnight, when such are not the facts.

0197. **Hair Dye.--**An advertising agency agrees to discontinue handling advertising matter of manufacturer of an alleged hair dye.

0198. **Correspondence School: Railway Vocational Training.--**The publisher of a magazine of wide circulation agrees to discontinue carrying advertising matter of conductor of a correspondence school in railway vocational training.

0199. **Medicinal Products.--**Charles N. Mallory, trading as L. E. Norton Products Co., Chattanooga, vendor of "Aphrotone," a medicinal preparation alleged to restore sexual vigor, agrees to discontinue the use of the trade name "Aphrotone " and to refrain from the use of any other word that might imply aphrodisiacal properties; and to discontinue representing that, regardless of age or cause, vital powers will be "speedily restored" by the use of "Aphrotone," when the product does not have the capacity to restore vital powers.

0200. **Exaggeration of Earnings, Designed to Secure Agents.--**American Braiding & Embroidery Co. (Inc.), Chicago, vendor of service suits, aprons, tablecloths, etc., agrees to discontinue quoting earnings for inexperienced agents that are far in excess of the probable earnings of such an agent under normal conditions.

0201. **Stomach Ulcers, Alleged Cure.--**Normal H. Tufty, trading as Morgan Miles Co., Minneapolis, vendor of an alleged treatment for stomach ulcers, agrees to discontinue advertising the treatment.

0202. **High Blood Pressure, Alleged Cure.--**H. B. Tonnies, trading as Landis Medicine Co. and advertising as C. R. Landis, Cincinnati, vendor of an alleged treatment for high blood pressure, agrees to discontinue representing that the preparation is a prescription of a famous specialist, unless such can be established by competent evidence ; and to discontinue representing that the tablets are a competent remedy for high blood pressure due to arteriosclerosis, nephritis, toxic goiter, or similar severe conditions, when such is not the fact.

0203. **Hair Dye.--**L. Pierre Valligny and Valligny Products (Inc.), New York City, vendors of a hair dye designed "Youth-tint," agree to discontinue representing that the product is a color restorer or is anything other than a hair dye that will impart a selected color to the exposed portions of hair; and to discontinue representing that it will not fade, without a conspicuous statement of the conditions under which it will not fade, in direct connection therewith.

0204. **Liquor Habit, Alleged Cure.--**A vendor agrees to discontinue representing that an alleged treatment for the liquor habit is competent to permanently terminate the habit; when such is not the fact.

0205. **Spraying Machines.--**W. A. Rusler, trading as H. B. Rusler Manufacturing Co., Johnstown, vendor of a spraying outfit for farmers and autoists, designated "Comet Sprayers and Autowashers," agrees to discontinue representing that the device will be sent free for trial, unless and until it is sent other than on a money-back guaranty, with a payment required in advance ; and to discontinue quoting earnings for agents that are far in excess of the probable earnings of such an agent under normal conditions.

0206. **Exaggeration of Earnings, Designed to Secure Agents.--**R. A. Harris, trading as Lingerie "V" Co., North Windham, Conn., vendor of a lingerie chain designed to prevent shoulder straps from slipping, agrees to discontinue quoting earnings for agents wearing and showing the new invention, that are far in excess of the probable earnings of such an agent under normal conditions.

0207. **Hair Dye.--**A vendor agrees to discontinue representing that the hair dye sold is a color restorer that will impart color even to hair that grows out after the application, or that it is anything other than a hair dye that will impart a selected color to the exposed portions of hair; and to discontinue representing that it will not fade, without a conspicuous statement of the conditions under which it will not fade, in direct connection therewith.

0208. **Exaggeration of Earnings, Designed to Secure Agents.**--Corsetry (Inc.), advertising as Grace Graham, Stamford, Conn., vendor of corsets, agrees to discontinue quoting earnings for agents that are far in excess of the probable earnings of such an agent under normal conditions.

0209. **Epilepsy, Alleged Cure.**--R. P. Neubling, trading as R. Lepso and Lepso Co., Milwaukee, vendor of "Lepso," an alleged treatment for epileptic attacks, agrees to discontinue representing that the preparation will be sent free unless and until it is sent without charge for postage or clerical expense; to discontinue representing that it can be taken safely by children, when such is not the fact; and to discontinue representing that the product is a competent treatment for epilepsy or fits, without indicating the limits of its effectiveness.

0210. **Exaggeration of Earnings, Designed to Secure Agents.**--G. F. Smith, trading as Rosebud Perfume Co., Woodsboro, Md., vendor of salves, soaps, perfumes, and toilet articles, agrees to discontinue inserting advertisements implying that agents will receive a certain premium for selling a specified number of boxes of salve at 25 cents each, money to be remitted "as per catalogue plan," when the plan as set forth in the catalogue requires that money in excess of the 25 cents per box be remitted or that a larger number of boxes be sold before the premium is given; to discontinue representing that any premium is given "free," when the recipient is required to give either cash or service therefor; and to discontinue representing that a premium will be sent upon receipt of a stated sum, when an additional remittance is required to cover postage and packing charges.

0211. **Exaggeration of Earnings, Designed to Secure Agents.**--The publisher of a magazine of wide interstate circulation agrees to discontinue carrying advertising matter of seven vendors of various medicines and other commodities, who are alleged to be using misleading advertisements in an effort tp secure agents.

0212. **Rheumatism, Stomach Ulcers, Eczema, and Rupture, Alleged Cures.**--The publisher of a magazine of wide circulation agrees to discontinue carrying advertising matter of four vendors of alleged cures for rheumatism, stomach ulcers, eczema, and rupture.

0213. **Correspondence School: Railway Training.**--The publisher of a magazine of wide publication agrees to discontinue carrying advertising matter of conductor of a correspondence course of instruction in railway training.

0214. **Tissue Builder.**--The publisher of a magazine of wide circulation agrees to discontinue carrying advertising matter of Mary Titus, New York City, vendor of an alleged tissue-building cream.

0215. **Artificial Ear Phones, Key Tags, Charging Fluid for Batteries, Correspondence School for Vocational Training, and Alleged Cures for Stammering, Gall Stones, High Blood Pressure, and Indigestion.**--The publisher of a magazine of wide, interstate commerce agrees to discontinue carrying advertising matter of 21 vendors of various articles of commerce, including artificial ear phones, key tags, battery fluid, correspondence course of instruction in railway training, and alleged cures for stammering, gall stones, high blood pressure, and indigestion.

0216. **Varicose Veins and Eczema, Alleged Cures.**--F. P. John, advertising as F. P. John, Druggist, and Feodor P. John, Ph. R., Thiensviile, Wis., agrees to discontinue advertising an alleged treatment for old leg sores, varicose veins, and eczema.

0217. **Exaggeration of Earnings, Designed to Secure Agents.**--Alvin S. Magnusson, trading as Wilmore Book & Bible Co., Chicago, vendor of Bibles, religious books, and dictionaries, agrees to discontinue quoting earnings for agents that are far in excess of the probable earnings of such an agent under normal conditions.

0218. **Rheumatism, Neuritis, Nervousness, Stomach, Kidney, and Liver Troubles, Alleged Cures.**--Ten Herbs Co., Chicago, agrees to discontinue representing that a medicinal preparation designated "Ten Herbs" is a competent remedy for rheumatism, neuritis, nervousness, or any other condition other then one calling for a stomachic remedy or for stimulation of the eliminative functions of the intestines and kidneys.

0219. **Psoriasis, Alleged Cure.**--H. G. Levy, trading as Interstate Laboratories, e Chicago, vendor of "Dermolax," an alleged treatment for psoriasis, agrees to discontinue the use of the firm name "Interstate Laboratories,"

when neither owning nor operating laboratories in which the product sold is compounded, and having no element of interstate commerce in the business other than the sale and shipment in interstate commerce; to discontinue representing that psoriasis is caused by a germ localized in the tissues of the skin, rather than being a blood disease, and that the ointment and the skin soap included in the treatment reach the seat of the trouble, when such are not the facts; to discontinue representing that the soap used in the treatment is made especially for use with this treatment, when such is not the fact; and to discontinue representing either that there is a specific for psoriasis or that the Dermolax treatment constitutes a specific for psoriasis, when such are not the facts.

0220. **Bicycles.--**A vendor agrees to discontinue representing that a bicycle will be sent to prospective purchasers for "Free Trial," unless and until it is sent without requiring the recipient to pay any money in advance or to render any service.

0221. **Piles, Eczema, Wrinkles, and Gray Hair, Alleged Cures.--**The publisher of a magazine of wide circulation, agrees to discontinue carrying advertising matter of five vendors having alleged cures for underweight conditions, piles, eczema, wrinkles, and gray hair.

0222. **Watches, Perfumes, Flesh Reducers, Flesh Producers, and Alleged Cures for Gall Stones, Blood Diseases, Warts, and Moles.--**The publisher of a magazine of wide, circulation agrees to discontinue carrying advertising matter of seven vendors of watches, perfumes, flesh reducers, flesh producers, and alleged cures for gall stones, blood diseases, warts, and moles.

0223. **Exaggerated Earnings, Designed to Secure Students.--**National Art Schools (Inc.), advertising as National Art Studios (Inc.), Chicago, engaged in furnishing correspondence courses of instruction in photograph and miniature painting, alleges no advertising has been placed since November, 1930, and agrees that should advertising be resumed, it will contain no misrepresentations relative to the probable earnings of prospective students.

0224. **Medical Prescriptions.--**The publisher of a southern daily newspaper agrees to discontinue carrying advertising matter of vendor of a, certain medical prescription.

0225. **Perfumes.--**Theo. White, trading as Theo. White Co. and Palace de Flores, Los Angeles, vendor of a perfume alleged to be irresistible, agrees to discontinue representing that such is irresistible and can captivate the soul or that it will enable the user to be exclusively attractive and to attract and win the love of any person desired, when such are not the facts.

0226. **Reducing Paste, Hair Dye, and Alleged Cure for Kidney Trouble.--**The publisher of a magazine of wide circulation, agrees to discontinue carrying the advertising matter of nine vendors of various commodities, including reducing paste, hair dye, and an alleged cure for kidney trouble.

0227. **Hernia, Alleged Cure.--**A manufacturer of an appliance for the treatment of hernia, agrees to discontinue advertising in the name of a person purporting to have been cured of a bad rupture, but disclaiming any monetary interest in the sale of the appliance.

0228. **Hair Remover.--**Annette Lanzette (Inc.), Chicago, vendor of a synthetic pumice stone designated "Lanzette Device," agrees to discontinue representing that the device removes hair permanently, and to discontinue the use of the word "rid" or any other word implying a definite termination of the condition, when the device has no such capacity.

0229. **Piles, Alleged Cure.--**Peoples Drug Stores, Washington, D. C., vendor of "Pile-Foe," an alleged cure for piles, agrees to discontinue representing that the preparation will stop the pain instantly regardless of the length of time a person has suffered, and that piles can be relieved or healed in five days, or in any other definite time.

0230. **Prostate Gland, Alleged Cure.--**George Starr White, Los Angeles, vendor of "Valens Bio-Dynamo Prostatic Normalizer," an appliance designed for use in the treatment of the prostate gland, agrees to discontinue advertising the product in newspapers, magazines, or by direct mail.

0231. **Rheumatism, Gout, Lumbago, Neuritis, Neuralgia, and Sciatica, Alleged Cures.--**J. T. Keller, trading as Keller Kapsule Co., Kansas City, Mo., vendor of "Kefler's Kapsules." agrees to discontinue representing the prepara-

tion is a competent treatment for lumbago, rheumatism, neuritis, neuralgia, and allied afflictions, without a qualifying statement limiting its efficacy to those cases arising from excessive uric acid; and to discontinue representing that the preparation produces a "very prompt" decrease in uric acid formation, when such is not the fact, and that it has any definite antiinflammatory powers beyond those of an antipyretic to reduce fever.

0232. **Medicinal Products.--**The publisher of a daily newspaper with a large circulation in the Gulf States, agrees to discontinue carrying advertising matter of manufacturer of an alleged vegetable compound alterative tonic.

0233. **Stomach Ulcers, Gastritis, Acidosis, and Indigestion, Alleged Cures.--**C. W. Reynolds, trading as Reynolds Chemical Co., Mound, Minn., vendor of "Mak-Ova-Stomach Tablets" an alleged treatment for the relief of stomach agony, pain, vomiting, stomach ulcers, severe chronic gastritis, acidosis, and indigestion alleges he has discontinued all advertising matter and agrees that should advertising be resumed it will contain no representations to the effect that the tablets are a competent treatment for either stomach ulcers, indigestion, stomach pains, dyspepsia, chronic gastritis, acidosis, constipation, flatulency or heartburn, regardless of what condition gives rise to the ailments; that the tablets constitute a competent remedy for rheumatism stomach agony or gout; that they always relieve of pain; vomiting and other discomforts immediately; that thousands of sufferers report amazing recovery; that the formula is the result of years of experimentation by a specialist, costing many thousands of dollars to perfect; that the tablets remove the cause of indigestion and banish the cause of 90 per cent of human ills; or that 90 per cent or any like proportion of human ills, regardless of cause, develop into a condition of hyperacidity in the stomach or urine.

0234. **Mirrors.--**W. S. Wear, trading as Wear Mirror Works, Excelsior Springs, vendor of a process for silvering mirrors alleged to be a process for making "Genuine French Plate Mirrors," to be easy to learn, protected by patents, and to be the means of a profitable business career, agrees to discontinue claiming ownership or use of any patented process for the making of French plate mirrors and to discontinue representing that the Wear process, or any other process, can make a French plate mirror out of any glass other than imported French plate glass, when such are not the facts; and to discontinue representing that the course of instruction tells how French plate mirrors are to be made, unless and until the course is revised to contain such information.

0235. **Stomach Ulcers, Indigestion, Constipation, and Acidosis, Alleged Cures.**--Ramsted (Inc.), Milwaukee, vendor of an alleged treatment for stomach ulcers, indigestion, constipation, and acidosis, agrees to discontinue representing that the product is a treatment for acidosis, this condition, as a rule, being met with only in very serious cases of diabetes and Bright's disease, when a treatment for ordinary stomach ailments would not be competent.

0236. **Bladder Trouble, Backache, and Muscular Aches, Alleged Cure.--**Knox Co., Kansas City., Mo., vendor of "Cystex," an alleged cure for bladder trouble, backache, burning or itching sensation, leg or groin pains, and muscular aches, agrees to discontinue representing that all of these ailments are caused by bladder trouble; to discontinue representing that "Cystex" is a competent treatment for the ailments listed unless a statement to the effect that it is competent only when the ailment is due to bladder trouble, is displayed on the medicine in reasonably legible type; to discontinue representing that a treatment is offered free, unless and until the product is sent other than on a money-back agreement, with the full payment required in advance.

0237. **Hair Dye.--**The publisher of a large, daily newspaper in the mid-west, agrees to discontinue carrying advertising matter of two vendors of hair dyes.

0238. **Exaggeration of Earnings, Designed to Secure Agents.--**George C. Wilson, trading as Wilson Chemical Co., Tyrone, Pa., vendor of an ointment designated "White Cloverine Salve," agrees to discontinue advertising that certain premiums are given for selling a specified number of boxes of salve "and remitting as per plan in catalogue," when the plan as set forth in the catalogue requires that money in excess of that received for the specified number of boxes be remitted or that a larger number of boxes be sold, before the premium is given; to discontinue representing that any premium is given "free," when the recipient is required to give either cash or services therefor;

and to discontinue representing that a premium will be sent upon remittance of a stated sum when additional remittance is required to cover postage and packing charges.

0239. **Perfumes and Cosmetics.--**Ann Griffith, trading as Love Charm Co., St. Louis, vendor of perfumes and cosmetics designated "Love Obarm," agrees to discontinue representing that the products are of French origin or are made in accordance with the formula of a celebrated French perfumer, when such are not the facts.

0240. **Misleading "Help Wanted" Advertisements.--**Mrs. K. M. LaFlesh, trading as Chandler Co., Chicago, vendor of a booklet entitled "Pin Money. One Hundred Ways to Make Money at Home" and a list of firms purporting to offer "profitable spare or full time employment" agrees to discontinue inserting in "Help Wanted" columns, advertisements reading "FREE INFORMATION REGARDING RELIABLE, permanent, profitable homework. No canvassing, no schemes, or junk," and similar advertisements, unless and until it has been ascertained that profitable home work involving no canvassing, no schemes, and no junk is available; and to discontinue representing in any other way that such work is available, unless and until such is in fact available.

0241. **Diabetes, Alleged Cure.--**C. Grover Caidwell, trading as Wabash Chemical Co., Chicago, vendor of "Pancretone," an alleged treatment for diabetes, agrees to discontinue representing that Pancretone is a new product now out of the experimental stage, being prescribed by many physicians and being used by thousands of sufferers who formerly used insulin but get same result from Pancretone, when such are not the facts; to discontinue representing that Pancretonae will eradicate sugar from the urinae in from 5 to 21 days, will rapidly build a carbohydrate tolerance in the system, restore the circulation to normal function and restore the health of many persons when all else has failed, when such are not the facts; to discontinue representing that the product is a competent treatment for true diabetes or any form of so-called diabetes other than the type which is indicated by sugar in the brine, when such is not the fact; to discontinue representing that any testimonials are of themselves positive proof that the treatment will prove adequate, when such is not the fact; to discontinue representing that a container and bottle will be sent, and complete test of urine made "free of charge," when the coast of the test, bottle, and container is included in the price charged for the 60-day treatment.

0242. **Lowered Vitality, Alleged Cure.--**F. A. Durrant and D. W. Dehoney, jr., trading as Meed Co., Kansas City, Mo., vendor of "4 V Viosterol Compound," an alleged treatment for run-down vitality, agree to discontinue representing that the treatment is competent in cases of undernourishment, emaciation, or debility, other than those resulting from vitamin D deficiency; and agree to limit all claims regarding health, vigor, and vitality, to the relief of those conditions in which vitamin D concentrates are recognized as having therapeutic value.

0243. **Exaggeration of Earnings, Designed to Secure Purchaser.--**Louis Arkin, trading as Ideal Jobbers, Chicago, vendor of auction goods, clothing, and receivers' stocks, agrees to discontinue quoting profits that would accrue to the purchaser of a bankrupt rummage stock, that are far in excess of the probable profits of the owner of such a store under normal conditions.

0244. **Reducing Treatment.--**A vendor of an alleged remedy for 'excessive fat, designated "O. B. C. T.," which contains thyroid, pituitary, ovarian, and orchic glandular products, agrees to discontinue representing that any woman can quickly and painlessly reduce with "O. B. C. T.," without harm or inconvenience, no treatment containing such glandular products being correctly' described as "harmless."

0245. **Hair Dye.** Nourishine Manufacturing Co., Los Angeles, vendor of "Nourishine," a hair dye and coloring treatment, agrees to discontinue representing that the product will restore gray hair to the original color, banish dandruff, invigorate the roots of the hair, and promote hair growth, when such are not the facts.

0246. **Goiter, Alleged Cure.--**Dr. Arthur A. Rock, Milwaukee, vendor of an alleged. goiter treatment, agrees to discontinue representing that a book published at his own expense and sent free upon request "tells in a simple way about treating goiter at home," when such book is merely an advertising

pamphlet describing the various kinds of goiter and urging reader to purchase Doctor Rock's treatment; to discontinue advertising that he has made a remarkable discovery within the past year that has aroused intense interest, when the alleged discovery refers to the fact that there is some relationship between the ovarian functions and a goitrous condition of the thyroid gland, a fact that has been common knowledge to the medical world for years; to discontinue representing that the treatment will prove beneficial regardless of the character or condition of the goiter, that it will cure goiter, that it is harmless under all conditions and that it has pleased all who tried it, when such are not the facts; to discontinue representing that any testimonial inclosed in a form letter "came in today's mall" or that testimonial letters are in themselves proofs of the claims made for the treatment, when such are not the facts; to discontinue using a form letter requesting readers not to mention to others" the special offer made in a printed form letter, when such offer is not confined to the reader; and to discontinue representing that goiter is the greatest danger to the health of the American people, who will in time become known as the "turtle-necked people," and emphasizing the dangers of surgical treatment for goiter by statements to the effect that goiter operations are always dangerous, that there is a possibility of death at the end of any goiter operation, and that half (or any other stated proportion) of those operated on either die, or are not benefitted thereby, or have a recurrence of the trouble within two or three years, in the promotion of the sale of the treatment which is alleged to obviate the necessity for surgical operations in all cases.

0247. **Eczema, Itch, Salt Rheum, and Tetter, Alleged Cure.--**Ovelmo Co. and J. C. Hutzell, Fort Wayne, vendors of "Ovelmo Cream," an alleged cure for eczema, itch, salt rheum, and tetter, agree to discontinue representing that eczema can be cured by the use of Ovelmo, without a statement to the effect that the cure applies only to the itching or eruption; and to discontinue representing that 50,000 persons have been cured of eczema by Ovelmo treatment, and that it has cured the worst cases of eczema, itch, salt rheum, and tetter, when such are not the facts.

0248. **Exaggeration of Earnings, Designed to Secure Agents.--**Morris IL Shapiro, Charles Shapiro, Mary Shapiro, and Robert Shapiro, trading as Uca Mentho Co., Chicago, vendors of a healing and vapor salve designated "UCA-Mentho Healing and Vapor Salve," agree to discontinue advertising in a manner to imply that a watch will be given for selling 12 boxes of the salve at 25 cents a box, and that 12 perfume novelties are also sent to be given free to each purchaser, when in fact, the agent is required either to sell 12 boxes and remit $8.50 in excess of the sum obtained from the sales or to sell 24 boxes and remit $1.95 in excess of the sum obtained from the sales, before the premium is given, and the cost of the novelties, purported to be gratuities, is included in the price charged for the salve; and to discontinue representing that a premium will be sent upon receipt of a certain sum, when an additional remittance is required to cover packing charges.

0249. **Misleading "Help Wanted" Advertisements.--**E. J. Eller, trading as Eller Co., New York City, vendor of a book containing names, addresses, and information about securing homework, agrees to discontinue inserting advertisements in the "Help Wanted" column, headed "Help Wanted-Female" and directing women wanting reliable kinds of hand work to write Eller Co. for information and to inclose stamp, when having no employment to offer; and to discontinue inserting any advertising matter in furtherance of the sales of the book, in a classified column captioned to indicate employment is being offered.

0250. **Rheumatism, Neuritis, Arthritis, and Lumbago, Alleged Cure.--**Hagen Import Co., St. Paul, vendor of a herb tea medication alleged to prove an effective home treatment for rheumatism, neuritis, arthritis, and lumbago, agrees to discontinue representing that the herb tea has any uses other than those of a medicine combining diuretic, laxative, and stomachic properties, and that it is a proper treatment for rheumatic conditions other than those pains often designated by the layman as rheumatic, that are due to stomach disorders, faulty elimination or excessive uric acid, when such is not the fact.

0251. **Puzzle Advertisements Designed to Secure Agents.--**A publisher using the puzzle form of advertising to secure agents, agrees to discontinue representing that any prizes offered are free and that any prize is offered for the

mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisements to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0252. **Hygienic Preparations.--**J. Bergman (Inc.), and J. Bergman, New York City, vendors of alleged antiseptic preparations for use by women, agree to discontinue representing that the preparations are germicides, are nonpoisonous, and will prove infallible in the treatments of certain conditions, when such are not the facts.

0253. **Goiter, Alleged Cure.--**Munich Method (Inc.), Bumalo, vendor of a treatment for goiter designated "Munich Method," agrees to discontinue advertising that it is a competent treatment for any other than simple goiter; and to discontinue representing that the preparation represents the latest scientific method for the removal of goiter, that it will prove effective regardless of the size or character of the goiter unless it has reached the incurable stage, that there is a high infant mortality caused by goiter, that's 1 out of 10 children born to families where one of the parents is goitrous, are in danger of cretinism, and that treatment taken by the mother prior to the birth of the child will develop the child's thyroid gland.

0254. **Medicinal Products.--**The publisher of a magazine of wide circulation, agrees to discontinue carrying advertising matter of manufacturer of an alleged vegetable tonic.

0255. **Battery charging Compound.--**An advertising agency agrees to discontinue handling advertising matter of manufacturer of a battery charging compound.

0256. **Toilet Preparations.--**A magazine publisher agrees to discontinue carrying advertising matter of manufacturer of toilet preparations.

0257. **Gland Treatment.--**The publisher of a magazine of wide circulation, agrees to discontinue carrying advertising matter of vendor of alleged gland tonic tablets.

0258. **Dropsy, Alleged Cure.--**The publisher of a newspaper and magazine section of wide circulation agrees to discontinue carrying advertising matter of vendor of alleged treatment for dropsy.

0259. **Device for Locating Hidden Treasure, Hair Straightener, Love Potions, Gazing Crystals, Lucky Rings, Lodestones, Powders, and Alleged Cures for Insomnia, Baldness, and Falling Hair.--** Charles A. Bilgman and Charles A. Bilgman, Jr., trading as Model Co., Chicago, vendors of various devices, powders, perfumes, and jewelry, agree to discontinue representing that a certain device will locate hidden treasure, that a product designated Adam and Eve root has magical powers to bring back or hold the love of anyone desired, that 5-finger grass will bring restful sleep or ward off any evil that five fingers can bring, that an alleged hair treatment will straighten the hair or stimulate its, growth, that the possession of the "Special Spirit of Venus Seal," alleged to be made of genuine imported parchment, will make one beloved, reveal secrets through dreams, and assist in any undertaking, that the "Oriental Lucky Ring Outfit" is a magical, Oriental importation that will bring wealth, leadership, love, and luck, that the "Mystic Controlling Bag" and "Model Controlling Bag', have mystic powers to attract and control luck and love, that the "Magic Rug" is a new invention that has magical properties and will eliminate fatigue, that "Magnetic Lodestones" will turn away evil and bring good luck, that a certain gazing crystal will bring luck in love or fortune, will aid in developing the mind and its possession will indicate advanced ideas and culture, when such are not the facts; and to discontinue Quoting the regular price of an article as a special price and advertising articles as "free," when their cost is included in the price paid for the article with which they are purported to be given free of charge.

0260. **Rheumatism, Alleged Cure.--**Frederick Dyer Co., Jackson, Mich., vendor of "Rheuma-Alterative Tablets" and "Dyer Foot Drafts," alleged treatments for rheumatic pains; agrees to discontinue representing that the treatment is competent regardless of age, severity or duration of the pain, that it has brought health to thousands, or that it affords anything other than temporary relief from pain, when such are not the facts.

0261. **Depilatories.**--Leopold DeCrissey and Richard A. Ehrlich, trading as Cypsia Products Co., New York City, vendors of a preparation for removing hair; agree to discontinue representing that the product will destroy the root and that the effects will be permanent, when such are not the facts.

0262. **Lodestones, Curios, Jewelry, and Medicinal Products.**--Leroy Perry, trading as P. S. Bureau, Brooklyn, vendor of curios, jewelry, medicinal preparations, and novelties, agrees to discontinue representing that certain common, magnetic stones broken up and rolled in iron filings with the smaller designated female and the larger male, are mystic Brahma Lodestones and are alive, the male designated to prevent bad luck, evil, and misfortune, and the female designed to attract good luck, love, and happiness; to discontinue representing that any rings other than those imported from China or Egypt, are Chinese or Egyptian rings; to discontinue misrepresenting that a medicinal product designated "Aubex Tablets," are partially composed of potent glands of vigorous animals, and will aid the vital organs to function, when such is not the fact; to discontinue representing imitation jewels as genuine jewels; to discontinue the use of the word "Perles" to designate imitation pearls; and to discontinue the use of the words "Orient" and "L'Orient" to designate products that are not imported from the Orient.

0263. **Massage Cream.**--Marcelle Guolaire, trading as Madam Fuolaire and Parisian Laboratories, distributor of a massage cream designated "Parisian Flesh Food"; agrees to discontinue the use of the words "Laboratories" and "Parisian" in firm and trade names, when neither owning nor operating a laboratory in which the product is compounded, nor having an office in Paris; and to discontinue representing that the cream is a flesh food that will remove wrinkles, fill out hollow cheeks, bring food in direct contact with the tissues and revive and rebuild them, when it is merely a massage cream that will produce no such results.

0264. **Kidney and Bladder Trouble and Rheumatism, Alleged Cures.**--E. B. Hall, trading as E W. Hall and Dr. E W. Hall, St. Louis, vendor of "Texas Wonder" an alleged treatment for kidney and bladder troubles and rheumatism; agrees to discontinue representing that E W. Hall was a doctor or that E. B. Hall is a doctor, when such are not the facts; to discontinue representing that any doctor or pharmacist is connected with the compounding or sale of Texas Wonder, unless and until some doctor is so associated; and to discontinue representing that the product is a competent treatment for kidney and bladder troubles, rheumatism, diabetes, gravel, and kindred diseases, without limiting its efficacy to the definitely known therapeutic values of the ingredients used in compounding the medicine.

0265. **Exaggeration of Earnings, Designed to Secure Agents.**--The publisher of a farm newspaper of large circulation agrees to discontinue carrying advertising matter of vendor of needles, soliciting boys and girls to act as agents.

0266. **Hernia and Women's Diseases, Alleged Cures.**--The publisher of two magazines of large circulation agrees to discontinue carrying advertising matter of vendor of a rupture appliance and vendor of an alleged cure for a disorder to which women are subject.

0267. **Exaggeration of Earnings, Designed to Secure Agents.**--Maurice Willens, trading as Easetex, Chicago, vendor of sanitary belts for women, alleges he has discontinued inserting advertising matter that implies that women will earn $25 per week selling the product during their spare time, or $10 a day, and that any future advertising matter will not contain sums presumed to be earnings of agents, that are in excess of the probable earnings of such agents under normal conditions.

0268. **Rheumatism and Gout, Alleged Cures.**--The publisher of a daily news-paper with a large circulation in the Gulf States agrees to discontinue carrying advertising matter of manufacturer of an alleged treatment for rheumatism, gout, and kindred ailments.

0269. **Puzzle Advertisements Designed to Secure Subscribers.**--A publisher using the puzzle form of advertising to secure subscribers agrees to discontinue representing that any prizes offered are free and that any prize is offered for the mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited; and

to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement in such advertisement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0270. **Plating Powder.**--G D. Jenison, trading as Gun Metal Finish Co., Decatur, Ill.., vendor of a metal finish containing no chromium, designated " Chromium Plating Powder," agrees to discontinue the use of the word "Chromium" in trade name and on labels and in advertising matter, to designate the product; to discontinue representing that the powder functions in the same manner as an electroplating bath, plating as heavy a coat of metal, when such are not the facts; and to discontinue representing that there is no limit to the amount of metal one can deposit and that it will not tarnish, when such are not the facts

0271. **Medicinal Products, Medical Appliances, and Misleading Advertisements Designed to Secure Subscribers.**--The publisher of a newspaper of wide circulation agrees to discontinue carrying advertising matter of five vendors of various commodities, including medicinal preparations and appliances and including misleading advertisements soliciting subscribers.

0272. **Tapeworm, Alleged Cure.**--Joseph J. Hausch and Mrs. Joseph J. Hausch, trading as Joseph J. Hausch Laboratories, Wauwatosa, Wis., vendors of an alleged treatment for tapeworm designated "Remedy A," allege advertising has been discontinued and that should advertising be resumed the therapeutic value of the product will not be misrepresented.

0273. **List of Dealers in Rubber Goods, French Novelties, and Love Potions.**--J. Irvin Strain, trading as La Beaute Studios, Baltimore, vendor of list of dealers, alleges he has discontinued inserting advertisements addressed to "MEN," advertising lists of dealers from whom can be secured rare French novelties, beautiful girl pictures, rare books, best remedies, alluring love drops, and lovers' potions and cupid's assistants, and agrees that should advertising be resumed, features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0274. **Warts and Moles, Alleged Cure.**--A vendor of a caustic treatment for the removal of warts and moles, agrees to discontinue representing that the treatment is safe, easy to use, and painless. and that it leaves no scar, without a qualifying statement to the effect that the product must be used in accordance with directions; and agrees to discontinue marketing the product without printed directions explaining its nature and the method by which it may be used without danger of injury.

0275. **Hair Dye and Cosmetic Pencils.**--Juel Denn Cates and S. D. Cates, trading as Juel Denn, Chicago, vendors of "Oratex" a hair coloring preparation and a "Gray hair pencil," agree to discontinue representing that a limited number of packages of Oratex are being offered at a special, reduced price for a limited time only unless the price is less than the price at which the packages are customarily sold, and unless all orders in excess of a certain number and all orders received subsequent to the time limit set, are refused under the terms of the special offer; to discontinue representing that the gray hair pencil is given free of charge, unless and until it is given other than in conjunction with the purchase of a package of Oratex; to discontinue representing that the products change gray hair to its natural youthful color or offer a method, or the only method, or the latest method by means of which gray hair can be kept away from roots, temples, and parting, when such are not the facts.

0276. **Hair Tonic.**--Bernard Bernard, trading as Slavin Institute, San Francisco, vendor of an alleged hair tonic, agrees to discontinue representing that hair roots do not die and that the treatment will grow hair, stop falling hair, eliminate dandruff, and produce a normal condition of the scalp, when such are not the facts.

0277. **Goiter, Alleged Cure.**--W. C. Van Loon, trading as Physicians Remedy Co., Los Angeles, vendor of a medicated bandage to be used in the treatment of goiter, agrees to discontinue representing that the wearing of the bandage will cure goiter, absorb or eliminate the toxic condition, afford immediate or certain benefit, obviate the necessity for an operation, the necessity for the use of iodine, which is unsatisfactory, the use of thyroid tablets, which fre-

quently aggravate the disease or produce indifferent results, and the use of ointments, salves or liniments, which are dangerous, when such are not the facts.

0278. **Gland Treatment.**--H. A. Funke, trading as Lovejoy Laboratories, Newark, vendor of a sexual gland treatment designated "Lovejoy's New Discovery," advertised to be already in use by 15,000 men, and to be the means by which men can go back 20 to 40 years by recharging their glands, no operation being necessary, alleges that advertising has been discontinued and the sale of the product limited to the filling of unsolicited orders, and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0279. **Revitalizer.**--Gray Laboratories (Inc.), New York City, vendor of an alleged revitalizer for men, designated dd Go, Go," advertised as something offered to the public, after full cognizance has been taken of the number of spurious products of a similar nature, with no exaggerated claims or fraudulent ideas, but with a record of effective, beneficial results to thousands of users who have repeated their orders and given their personal recommendation, alleges that advertising has been discontinued and the sale of the product limited to unsolicited orders, and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated

0280. **Jewelry, Dishes, Novelties, Course of Instruction in Hypnotism, " Pep" Tablets and Alleged Charms.**--M. Wineholt, trading as Wineholt Laboratories, Wineholt Sales Co., Wineholt Specialty Co., and Mervin Wine-bolt, Woodbine, Pa., vendor of novelties, jewelry, dishes, etc., agrees to discontinue representing that any jewelry has a gold finish or a gold shell or that any dishes have a gold band, when the finish is not gold, the gold coating is not of sufficient thickness to be designated a gold shell, and the band is not gold; to discontinue the use of the word "French" to designate articles not manufactured in France nor imported therefrom; to discontinue representing that any stone is a "reproduction diamond," that any jewelry is engraved, or that any watch is "full jeweled" unless the diamond has been artificially produced and contains all the qualities of a genuine natural diamond, the jewelry has been inscribed by cutting or carving, and the watch has been constructed with a sufficient number of jewels to warrant the designation "full jeweled"; to discontinue representing that a student of the course of instruction in hypnotism will thereby be enabled to control others and to win success or obtain power, wealth, and social position for himself, when such is not the fact; and to discontinue representing that the possession of certain lucky rings, good-luck rabbits feet, gold-filled wishbones, and lucky horse shoes, will bring good luck in business and love; when such is not the fact; and alleges he has discontinued the sale of a product designated "French Pepups," advertised as a potent tonic famous for its swift action on the run-down system.

0281. **Massage Developer.**--H. F. McKean, trading as Laboratory Manager and McKean Laboratories, Santa Ana, Calif., vendor of a vacuum massage developer designed "Novus-Textus-Ungers," advertised as a means by which men can enlarge any muscles by a harmless method of development that proves permanent-strictly confidential-alleges that advertising has been discontinued and the sale of the product limited to unsolicited orders, and agrees that should advertising be resumed, features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0282. **Reducing Treatment.**--Kotal Co. (Inc.), trading as Korein Co., New York City, vendor of a fat-reducing treatment designated "Korein Tabules" and "Korein System." agrees to discontinue representing that the treatment is either safe or harmless, when such is not the fact; to discontinue representing that no diet and no reducing exercises are necessary while using the treatment, as long as a diet and a course of exercises are furnished as a part of the system; and to discontinue suggesting that corpulent people are not healthy, never live to an old age, do not enjoy life sufficiently, and often have dangerous heart trouble.

0283. **Eye Trouble, Alleged Cure.**--John J. Henderson, trading as Henderson Laboratory, Charleston, W. Va., vendor of an eye treatment designated "Ocuclear," agrees to discontinue representing that the preparation is an antiseptic, is efficacious in eliminating toxins in the blood stream, and will correct headache, neuritis, nervous prostration, insomnia, and indigestion,

regardless of the cause, when such are not the facts; to discontinue representing that the treatment is a competent remedy for conjunctivitis, trachoma, iritis, atrophy, incipient cataract, glaucoma, and other serious eye conditions, when it is effective only in the treatment of minor eye irritations; and to discontinue representing that it is impossible to prescribe glasses correctly for any eye that is afflicted in the tissues and that glasses do not assist nature in overcoming and correcting the cause of eye troubles when such are not the facts.

0284. **Book of Lessons in Hypnotism.--**Jack Parravans, trading as Casanova Publishing Co., New York City, vendor of a book entitled "25 Lessons in Hypnotism," advertised as a complete course of hypnotism, mind reading, and magnetic healing, which can be learned at home, and which will enable one to hypnotize at a glance, make others obey his wishes, overcome bad habits, and gain love, wealth, and power, alleges the sale of the book has been definitely discontinued.

0285. **Gland Treatment.--**Charles S. Younkman and George A. Cummins, trading as Pureplus Remedies (Ltd.), Tulsa, vendor of an alleged treatment for sexual incompetency designated "Gland Glad," that is advertised as "Papa's Silent Partner," that will bring quick animation, ready response, and lingering satisfaction, alleges advertising has been discontinued and agrees that should it be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0286. **Misleading "Help Wanted" Advertisements.--**Chester W. Scott, trading as C. Keytag Co., Cohoes, N. Y., vendor of outfits for making keytags or keychecks, agrees to discontinue inserting advertisements for the sale of the product couched in terms that imply an offer of employment in the "Help Wanted" columns of periodicals.

0287. **Stomach Trouble, Alleged Cure.--**George Von Nieda, trading as Von Drug Co., Minneapolis, vendor of an alleged treatment for stomach ulcers and other stomach trouble, designated "Von Stomach Treatment" and "Von's Pink Tablets," agrees to discontinue representing that the preparation is a competent treatment for stomach ulcers other than those due to gastric hyperacidity, or due to a condition where the bismuth content would act as a protective factor and aid in healing; to discontinue representing that no diet is required when such is not the fact; to discontinue representing that the preparation is a competent treatment for acidosis when such is not the fact; and to discontinue the use of the words "heal," "cure," or "rid" in connection with the stomach ulcer treatment even in the few instances where such would be permissible, as the general construction would be misleading.

0288. **Stomach Trouble, Alleged Cure.--**Trigestia Corporation, Newark, vendor of "Trigestia Tablets," an alleged remedy for indigestion, gas pains, and dyspepsia, agrees to discontinue representing that the preparation is a competent treatment for stomach trouble or for any other ailment when such is not the fact.

0289. **Deafness, Alleged Cure.--**The publisher of a magazine of large, national circulation, agrees to discontinue carrying advertising matter of manufacturer of artificial ear drums alleged to overcome deafness.

0290. **Exaggeration of Earnings, Designed to Secure Agents.--**William A. Frew, trading as Lancaster County Seed Co., Paradise, Pa., vendor of garden seed, agrees to discontinue inserting advertisements implying that agents will receive a strap watch for selling 20 packets of garden seeds at 10 cents a pack to be remitted "as per plan in catalogue," when the plan as set forth in the catalogue requires that $1 and 78 cents in excess of the sum received for the seed be remitted before the premium is given; to discontinue representing that any premium is given "free" when the cost of the alleged gratuity is included in the price for the article with which it is alleged to be given free of charge; and to discontinue representing that a premium will be sent upon receipt of a stated sum, when an additional remittance is required to cover postage and packing charges.

0291. **Correspondence School: Psychology.--**Richard Blackstone (Inc.), New York City, vendor of a home study course in psychology alleged to overcome bashfulness and nervousness, agrees to discontinue representing that the method of treatment is a "remarkable discovery," that the 25-cent book or that any 25-cent book will enable one to learn how to regain vigor and self-

confidence, or how to overcome bashfulness, nervousness, and self-consciousness, when such is not the fact; to discontinue representing that the course will cure or provide immunity from bashfulness, sick nerves, indigestion, gas, cold hands and feet, dizziness, heart palpitation, sex. weakness, neuritis, constipation, anemia, rheumatism, falling hair, hay fever, asthma, weak eyes, and defective hearing, when such are not the facts; to discontinue representing that constipation, indigestion, cold sweats, dizzy spells, and bashfulness, are caused by nervous exhaustion, without a qualifying statement to the effect that this is not true in all cases; to discontinue representing that no worth-while physician will prescribe drugs or medical treatment to rebuild the nervous system and vital forces, that neither osteopathy, chiropractic, massage, nor vibratory treatment can permanently better the internal nervous system, and that no tonic or system of exercises can build up strong, sound nerves, when such are not the facts; to discontinue representing that bashfulness is a disease and that it arises from perverted mental habits, when such is not the fact; to discontinue representing that any case of stammering or stuttering, regardless of its severity, can be cured through respondent's course, or through any printed instructions, when such is not the fact; to discontinue the use of so-called credit checks; and to delete from advertising matter the words "diagnosis of the case," and "guarantee."

0292. **Hair-Color Restorer.--**Everett S. Hiscox and Jesse F. Hiscox, trading as Hiscox Chemical Works, Patchogue, N. Y., vendors of " Parker's 'lair Balsam," agree to discontinue representing that the product will restore color to gray or faded hair and will furnish necessary moisture to overcome dryness of the capillary bulb which supplies color and nourishment to the hair, when such are not the facts.

0293. **Skin Treatment.--**Roy M. Kirtland and Frank L. Engle, trading as Dorothy Ray, Chicago, vendors of a preparation for treatment of the skin, agree to discontinue representing that the preparation is a competent treatment for skin blemishes, without a statement limiting its effectiveness to pimples and blemishes peculiar to the outer layer of the skin; to discontinue representing that the preparation will insure anyone a beautiful complexion within 15 days' time, that it will overcome any skin trouble, regardless of extent, and that any other part of the body will be beautified by the use of the preparation, when such are not the facts; to discontinue the use of the name "Dorothy Day', or any other feminine name as a trade name; to discontinue the use of any feminine name in a manner to imply authorship of letters or advertisements, when such were not originated or signed by a woman; and to discontinue sending letters marked "personal" to prospective purchasers, when they are in the nature of form or circular letters and are sent to any and all prospective customers.

0294. **Piles, Alleged Cure.--**Harry H. Futty, trading as Donovan Surgical. Co., Brooklyn, vendor of "The Donovan Instrument," a patented reservoir appliance for treating piles, and an ointment designated "Donovene" for use therein, alleges the sale of the appliance has been discontinued and will not be resumed.

0295. **Blood Tonic.--**A vendor of a tonic advertised to be a "New Wonder Tablet" that furnishes courage, energy, and vigor to men past 40 years of age agrees to discontinue inserting such advertisements and to discontinue conducting the business.

0296. **Piano Instruction.--**Easy Method Music Co., Chicago, vendor of a printed course of instruction in piano playing, designated "Easy Form Music," advertised as a method by means of which one can learn to play the piano in one hour, no knowledge of music and no teacher being required, and by means of which 300,000 children and adults have learned, alleges advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated, including representations that the piano may be learned in one hour or in any other unreasonably short length of time, when such is not the fact, and that 300,000 persons, or any other number not capable of proof, have learned to play by using the "Easy Form Music" course.

0297. **Hair Dye.--**Canute Co., Milwaukee, vendor of "Canute Water," a hair-coloring preparation, agrees to discontinue advertising that the preparation will restore the natural color to gray hair, giving satisfaction in every case. when such is not the fact.

0298, 0299. **Blood Tonic**--The publishers of two magazines of large, national circulation agree to discontinue carrying advertising matter of manufacturer of an alleged blood tonic.

0300. **Magnetic Vitalizer.**--The publisher of a mid-western daily newspaper agrees to discontinue carrying advertising matter of vendor of an alleged magnetic vitalizer.

0301. **Oil Heater.**--The publisher of a weekly newspaper of national circulation agrees to discontinue carrying advertising matter of vendor of an oil heater.

0302. **Fits, Epilepsy, Convulsions, and Nervous Disorders, Alleged Cures.**--Richmond Remedies Co., St. Joseph, manufacturer of "Richmond's Samaritan Nervine," advertised to give quick relief in the treatment of fits, epilepsy, convulsions, and nervous disorders, alleges the advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0303. **Skin Trouble, Alleged Cure.**--Constantin Skrepinsky, trading as Modern Hygiene Co., Hamilton Grange Station, N. Y., vendor of an alleged skin treatment designated "Care-O-Skin," agrees to discontinue representing that the mere spreading of a thin film of "Care-O-Skin" over the affected part will enable one to say "Good-bye" to his skin troubles, when such is not the fact; and to discontinue representing that the preparation is a competent treatment for any systemic infection of the skin or for any serious case of skin disorder, when such are not the facts.

0304. **Rheumatic Fever and Neuralgia, Alleged Cure.**-- A. G. Luebert, Coatesville, Pa., vendor of "Nox'em Brand Tablets and Capsules," alleged to cure rheumatism and nerve pains, agrees to discontinue designating the tablets as "Nox'em Rheumatism Tablets and Capsules"; and agrees to discontinue representing that the preparation is a competent treatment for nerve pains in general, or for any condition not embraced within the dentition of rheumatic fever, when such is not the fact.

0305. **Piles, Alleged Cure.**--W. D. Rea, trading as Rea Bros. & Co. and Rea & Coe., Minneapolis, vendor of an alleged treatment for piles, designated "Red Cross Suppositories," agrees to discontinue representing that the preparation is a cure for piles, fistula, or other rectal diseases, or that it is a competent treatment for rectal diseases where seemingly nothing but an operation would provide a cure, when such are not the facts.

0306. **Physical Culture Instruction.**--Robert B. Mistrot, trading as Self Development Institute, San Antonio, vendor of a course of instruction in physical culture designated "Instant Energy," alleges advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0307. **Hair Dye and Shampoo.**--Johnson Sharp & Co., Chicago, vendor of a hair-coloring preparation designated "Gra-Go" and a shampoo designated "Maybella," agrees to discontinue representing that "Gra-Go" is a new, marvelous, scientific discovery, when such is not the fact; to discontinue representing that "Maybella Shampoo" is an adequate treatment for the cause of dandruff, when it is effective only in the removal of dandruff scales; and to discontinue representing that "Gra-Go" restores color to gray hair or that either it or "Maybella Shampoo" will enable one to keep the hair naturally colored, when such are not the facts.

0308. **Key Tags.**--The publisher of a magazine of national circulation agrees to discontinue carrying advertising matter of manufacturer of key tags and vendor of miscellaneous commodities.

0309. **Bunions, Alleged Cure.**--Kay Laboratories, Chicago, vendor of "Pedodyne," an alleged cure for bunions, agrees to discontinue representing that " Pedodyne" is a treatment that your family doctor would recommend as the most effective bunion treatment science has to offer, and that it will cure bunions within 15 days, or in any length of time, when such are not the facts; to discontinue representing that "the gentle Pedodyne solvent by reason of its cleansing nature and pus-removing action, reduces the bump of a bunion," or that it functions in any way except in the relief of pain caused by bunions, when such is not the fact ; to discontinue representing that other methods of treatment are crude, unscientific, barbarous, or worthless, when

such are not the facts; to discontinue quoting a certain price as the regular price when reductions are offered in follow-up form letters, and that such reduced offer will not be repeated, or that another such opportunity may never present itself, when the offer is followed by still further reductions; to discontinue representing that an offer is for a limited time only unless orders at the price quoted, received after the expiration of the time limit, are refused; and to discontinue representing that a multigraphed form letter is "Personally dictated by the manager" or is "A personal letter to you," when such are not the facts.

0310. **Rabbits.**--The publisher of a magazine of national circulation agrees to discontinue carrying advertising matter of breeder and vendor of rabbits.

0311. **Exaggeration of Earnings, Designed to Secure Agents.**--The publisher of a farm magazine of national circulation agrees to discontinue carrying advertising matter of eight vendors of various articles, inserting mis-leading advertisements for agents.

0312. **Nervous Disorders, Alleged Cure.**--An advertising agency agrees to discontinue handling advertising matter of another agency advertising under an assumed name and offering an alleged treatment for nervous women.

0313. **Rheumatism, Alleged Cure.**--The publisher of a large southern daily newspaper agrees to discontinue carrying advertising matter of vendor of an alleged remedy for rheumatism and kindred ailments.

0314. **Piles, Alleged Cure.**--E. R. Page Co. (Inc.), Marshall, Mich., vendor of an alleged treatment for piles, designated "Page's Combination Treatment," agrees to discontinue representing that the treatment will end pile torture, remove the cause, and "heal" piles, when such is not the fact.

0315. **Nervous Disorders, Alleged Cure.**--F. R. Finston, advertising as P. L. Finston, Hamilton Grange post office, New York City, vendor of "Potentine Compound," a so-called pep treatment advertised as a treatment that will give any man, regardless of his years, vigor, steady nerves, manly vim, new confidence, and new courage, alleges advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings established by the -Federal Trade Commission will be eliminated.

0316. **Baldness, Alleged Cure.**--Steddiford Pitt, trading as Sted. Pitt and Steddiford Pitt Co., vendor of a prescription alleged to cure baldness, agrees to discontinue representing that the method of treatment set forth in the prescription will stop falling hair, eradicate dandruff, and grow new hair, having succeeded in instances when all else had failed, when such is not the fact.

0317. **Women's Disorders, Alleged Cure.**--Perry Summer, trading as Ergo-Quinn Co., Providence, vendor of "Ergo Quine," an alleged treatment for menstrual irregularities, advertised as being effective when the disorder is due to colds, anemia, and other causes, alleges advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0318. **Fictitious "Nothing to Sell" Advertisements.**--Mrs. Josephine Brooks, Carry, Pa., vendor of a treatment for curvature of the spine, advertised as the method that had cured the advertiser and which she was anxious to inform other sufferers of, free of charge, having nothing to sell, alleges advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings of the -Federal Trade Commission will be eliminated.

0319. **Puzzle Advertisements Designed to Secure Agents and Subscribers.**--A publisher using the puzzle form of advertising to secure subscribers and solicitors agrees to discontinue representing that any prizes offered are free and that any prize is offered for the mere solution of a puzzle, when such are not the facts; to discontinue representing that a certain contest for prizes is open only to persons who solve a certain puzzle, unless and until entrance into the contest is so limited ; and to discontinue using advertising matter containing a puzzle and offering a prize to the winner of a contest, without a conspicuous statement to the effect that something other than the solving of the puzzle will be required before the prize will be awarded.

0320. **Exaggeration of Earnings, Designed to Secure Purchasers.**--H. W. Eakins, trading as Long-Eakins Co., Springfield, Ohio, manufacturer of a machine for making "Crispettes," agrees to discontinue representing earnings

made from time to time under unusual circumstances as the earnings that may be expected from day to day by the owners of "Crispette" machines.

0321. **Reducing Treatment.--**Eugene Munk, trading as La Itenee Cosmetic Co., New York City, vendor of "La Renee Reducing Cream," agrees to discontinue representing that the preparation will remove excess fat, no diets, medicines, or baths being necessary, when it has no such capacity ; to discontinue quoting the regular price as a "special" offer and representing that an offer is for a limited time only, unless orders at the price quoted, received subsequent to the expiration of the time limit, are refused.

0322. **Misleading Advertisements Designed to Secure Agents.--**Milton Meyer, trading as G. Page Co., Chicago, vendor of "Smile," a method advertised as a razorless sensation given to the world by chemists after years of research work, as a perfected product in the sale of which agents can make up to $32 a day profit, there being 25,000,000 eager prospects, alleges sales of the product has been discontinued and will not be resumed in interstate commerce.

0323. **Misleading Advertisements Offering Home Work.--**William O'Connor, trading as La Mar Co. and La Mar Specialty Co., Chicago, vendor of sanitary shields for women, sold through misleading advertisements offering women $12 per 100 for making shields at home, work sent prepaid, alleges advertising has been discontinued and agrees that should advertising be resumed features not conforming to the rulings established by the Federal Trade Commission will be eliminated.

0324. **Exaggeration of Earnings, Designed to Secure Purchasers.--**A. L. Keeny, trading as Eastern Rabbitry, New Freedom, Pa., conducting a rabbit-breeding industry, agrees to discontinue representing that $10,000 a year can be made breeding rabbits, when $1,800 a year would be the average gross income of a man spending his entire time at the work, the cost of upkeep, taxes, hutches, feeding, crating, etc., to come out of this sum, the sum of $10,000 having been reported in only two cases, in each of which the figures were approximate, and expenses, including labor of four or five employees, were not deducted ; and agrees to discontinue representing any sum in excess of the average net income received by the ordinary operator, as the profit to be made, any sum to be hereafter published to be based upon accurate information as ascertained by approved accounting methods.

0325. **Hair Dye and Tonic.--**The publisher of 8 western newspaper agrees to discontinue carrying advertising matter of vendor of a hair dye and alleged tonic.

0326. **Reducing Gum.--**Edgar A. Van Dyke, ir., trading as Alvanite Products Co., New York City, vendor of a medicated chewing gum alleged to reduce flesh, agrees to discontinue representing that the chewing of the medicated gum will reduce flesh, when such is not the fact.

0327. **Bust Developer.--**J. Fred Thomas, Lydia A. Thomas, and Harold Thomas, trading as Olive Co. and Hawkeye Advertising Co., Manitou, vendors of a device for developing the bust, agree to discontinue representing that the device has been indorsed by physicians of national reputation, or that Thos. J. Alien is or was a physician, America's foremost authority on diet and health, or that Dr. C. C. Carr was a well-known physician, when such are not the facts; to discontinue representing that the device has been successfully used by 148,000 women, or by any other number that is in excess of the number actually known to have used the device successfully; to discontinue representing that the device is the only bust developer and its use the only way of developing the bust, when such are not the facts; to discontinue representing that the device is used by beauty parlors, unless and until it is used by a substantial number of beauty parlors; to discontinue representing that the device will prove effective in the most obstinate, difficult, or hopeless case, and may generally he expected to prove satisfactory for women advanced in years, when such are not the facts; and to discontinue the use of unqualified statements to the effect that the device will develop the bust.

0328. **Jewelry.--**John w. Minschwaner, trading as K Signet, John W. Minschwaner, and Sarah G. Sutphin, and Sutmin Novelty Co., Penningron, N. J., vendor of jewelry and novelties, agrees to discontinue representing that a "1/30 14th Karat Gold Signet Ring, guaranteed to wear five years" will be sold at an introductory price of 30 cents, or two for 50 cents, when such is not

the fact ; and to discontinue using the word "Pearls" to designate imitation pearls, using the word "Diamond" to designate stones that are not diamonds, and using the words "Cornellan Cameo" to designate rings that do not have cornelian cameo settings.

0329. **Skin Peel.--**Adele Millar, trading as Mme. Adele, Los Angeles, vendor of a treatment for blemishes designated "Wonder Peel Paste," agrees to discontinue representing that a 1-day treatment will give new life and youth to aging faces, when such is not the fact; to discontinue representing that the treatment is efficacious in removing wrinkles, pimples, blackheads, acne, and liver spots by drawing the impurities, wrinkles, or discolorations to the surface of the skin to be peeled off, when such is not the fact; to discontinue representing that the peeling off of the outer skin is efficacious for conditions caused by boils, when such is not the fact ; and to discontinue representing that the 1-day treatment never fails to produce the results claimed for it, when such is not the fact.

0330. **Eczema, Alleged Cure.--**Standardized Remedies Tu-Tan-Kam Laboratory (Inc.), advertising as Standard Remedies Laboratories, Brooklyn, vendor of "Dr. Ward's Combination Treatment for Skin Disorders," an alleged cure for eczema, advertised as a treatment that will quickly stop the itching and burning and clear away the ugly blemishes caused by eczema no matter bow hopeless the case may seem to be, alleges advertising has been discontinued and sale of the product limited to the filling of unsolicited orders, and agrees that should advertising be resumed features not conforming to rulings established by the -Federal Trade Commission will be eliminated, including the unqualified representation of the preparation as an adequate or efficacious treatment for eczema or other skin disorders.

0331. **Jewelry and Alleged Charms.--**Morris Goldstein, trading as King Novelty Co., New York City, vendor of novelties, rings, and charms, agrees to discontinue representing that a certain "Black Cat Brooch" is hand painted, is made on white pearl, or will bring luck, when such are not the facts ; to discontinue representing that a certain "Hindu Good Luck Charm" and a "Lucky Shiek Ring" will bring wealth, happiness, success, will ward off evil, and bring good luck, when such is not the fact ; to discontinue representing that a ring costing $3.98 is a genuine diamond set in 14-karat solid gold, is the same quality as rings costing $20 in installment houses, and is an unprecedented value, when such are not the facts.

LIST OF TRADE PRACTICE CONFERENCES

The commission, since 1919 has conducted trade practice conferences for the following 140 industries:

Anti-hog serum and virus.
Baby and doll carriages.
Bags, paper.
Band instrument manufacturers.
Barn equipment.
Battery manufacturers, storage.
Beauty and barber supplies (two sessions).
Bituminous coal operators, Missouri and Kansas.
Bituminous coal, Utah.
Bottle caps, paper.
Butter, eggs, cheese, and poultry, Pacific coast.
Butter manufacturers, Southwest.
Carbon products (electrical).
Castile soap.
Cheese assemblers.
Cleaners and dyers, District of Columbia.
China recess accessories.
Clothing cotton converters.
Commercial cold storage.
Common brick.
Common or toilet pins.
Concrete mixers and pavers.
Correspondence schools.
Creamery, Omaha.
Crushed stone.
Cut nails, tacks, staples.
Cut stone.
Cottonseed oil mills.
Direct sellers.
Edible oils.
Electrical contractors.
Electrical wholesalers.
Embroidery, machine.
Engraved effects printing.
Face brick.
Feathers and down (two sessions).
Feldspar grinders.
Fertilizer.
Field and grass seeds.
Fire extinguishers, portable.
Flat glass distributors.
Flexible and heater cords (electrical).
Floor and wall clay the.
Fur industry.
Furnace pipe and fittings.
Furnaces, warm air.
Furniture, household.
Golf balls.
Golf, baseball, and general athletic goods.
Greeting cards.
Grocery.
Gypsum.
Hardware jobbers, southern.
Heavy sheet glass.
Ice-cream industry, District of Columbia.
Ingot brass and bronze.
Insecticides and disinfectants.
Interior marble.
Jewelry industry.
Jewelry, educational (fraternity pins, etc.).
Knit goods.
Knit underwear (two conferences).
Knitted outerwear.
Knives, gold mounted.
Kraft paper.
Lake Superior coal-dock operators.
Leatherboard.
Lightning rods.
Lime industry.
Macaroni, package.
Manufacturers of electrical mica.
Medical gas.
Mending cotton manufacturers.
Metal burial vaults.
Metal lath.
Milk and ice cream cans.
Millwork.
Mixed feed, Southern States.
Molded products (electrical).
Mops, cotton yarn.
Mopsticks.
Motion-picture industry.
Multicolor printers of transparent and translucent materials.
Naval stores.
Oil industry.
Ornamental iron, bronze, and wire.
Outlet and switch boxes ; conduit fit tings (electrical).
Paints, varnishes, lacquers.
Paper board.
Periodical publishers.
Petroleum, Virginia.
Petroleum (national).
Pipe nipples.
Plumbing and heating.
Plumbers' and potters' cast brass.

Plywoods.
Prison equipment.
Public Beating (church and school seats).
Pyroxylin plastics.
Range boilers.
Reinforcing steel fabricators.
Rebuilt typewriters (two conferences).
Retail furniture dealers, New York City.
Ribbed hosiery.
Roll and machine tickets (amusement industry).
Saddlery hardware.
Sardine packers.
Saw service.
School-supply distributors.
Scrap iron and steel.
Set-up paper boxes, paper cans, tubes, and drums.
Sheffield silver-plated ware.
Shirting fabrics.
Silk weighting.
Sole and belting leather.
Solvents.
Spice grinders.
Stationery, bank and commercial.
Standard sheet music.
Steel office furniture.
Steel window sash.
Structural clay tile.
Structural steel fabricators.
Subscription book publishers.
Sled industry.
Trunks, luggage, and brief cases.
Upholstery textiles.
Veneer fruit and vegetable containers.
Vulcanized fiber (electrical).
Walnut woods.
Wall paper.
Waste-paper dealers.
Watchcases (three conferences).
Wax paper (two conferences).
Wood heels.
Wood turning (hickory handle branch).
Woodworking machinery.
Woolens and trimmings.
Wool stock.
Woven furniture (two sessions).

RESOLUTIONS DIRECTING INVESTIGATIONS

UTILITY CORPORATIONS

[S. Res. 83 Seventieth Congress, first session, February 15, 1928]

Resolved, That the Federal Trade Commission is hereby directed to inquire into and report to the Senate, by filing with the Secretary thereof, within each thirty days after the passage of this resolution and finally on the completion of the investigation (any such inquiry before the commission to be open to the public and due notice of the time and place of all hearings to be given by the commission and the stenographic report of the evidence taken by the com mission to accompany the partial and final reports) upon: (1) The growth of the capital assets and capital liabilities of public utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light, or both, however produced, or gas, natural or artificial, of corporations holding the stocks of two or more public utility corporations operating in different States, and of nonpublic utility corporations owned or controlled by such holding companies; (2) the method of issuing the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebted-ness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named the holding companies, and the public utility corporations; (4) the services furnished to such public utility corporations by such holding companies and/or their associated, affiliated, and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public utility corporations im mediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct any abuses that may exist in the organization or operation of such holding companies.

The commission is further empowered to inquire and report whether, and to what extent, such corporations or any of the officers thereof or any one in their behalf or in behalf of any organization of which any such corporation may be a member, through the expenditure of money or through the control of the avenues of publicity, have made any and what effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or since 1923 to influence or control elections: *Provided*, That the elections herein referred to shall be limited to the elections of President, Vice President, and Members of the United States Senate.

The commission is hereby further directed to report particularly whether any of the practices heretofore in this resolution stated tend to create a monopoly or constitute violation of the Federal antitrust laws.

UTILITY CORPORATIONS (PRINTING OF REPORTS)

[S. Res. 221, Seventieth Congress, first session, May 3, 1928]

Resolved, That the reports submitted to the Senate, or which may hereafter be filed with the Secretary of the Senate, pursuant to S. Res. 83, current session, relative to the investigation by the Federal Trade Commission of certain electric power and gas utility companies, be printed, with accompanying illustrations, as a document

UTILITY CORPORATIONS (PRINTING OF EXHIBITS)

[S. Res. 112, Seventy-first Congress, first session, September 9, 1929]

Resolved, That, as a part of its reports to the Senate, pursuant to Senate Resolution 83, Seventieth Congress, first session, the Federal Trade Commission be required expeditiously to transmit duplicates, or true copies, of all exhibits introduced into its record in hearings held and to be held pursuant to said resolution, and that they be printed as parts of said reports, to accompany the respective parts thereof printed in accordance with Senate Resolution 221 of May 3, 1928; except that as to copyrighted books, bulky volumes, and other lengthy exhibits only such descriptions thereof and pertinent extracts therefrom shall be printed as the Federal Trade Commission may indicate and transmit with such exhibits for that purpose.

CHAIN STORES

[S. Res. 224, Seventieth Congress, first session, May 12, 1928]

Whereas it is estimated that from 1921 to 1927 the retail sales of all chain stores have increased from approximately 4 per centum to 16 per centum of all retail sales; and

Whereas there are estimated to be less than four thousand chain-store systems with over one hundred thousand stores; and

Whereas many of these chains operate from one hundred to several thousand stores; and

Whereas there have been numerous consolidations of chain stores throughout the history of the movement, and particularly in the last few years; and

Whereas these chain stores now control a substantial proportion of the distribution of certain commodities in certain cities, are rapidly increasing this proportion of control in these and other cities, and are beginning to extend this system of merchandising into country districts as well; and

Whereas the continuance of the growth of chain-store distribution and the consolidation of such chain stores may result in the development of monopolistic organizations in certain lines of retail distribution; and

Whereas many of these concerns, though engaged in interstate commerce in buying, may not be engaged in interstate commerce in selling; and

Whereas, in consequence, the extent to which such consolidations are now, or should be made, amenable to the jurisdiction of the Federal antitrust laws is a matter of serious concern to the public: Now, therefore, he it

Resolved, That the Federal Trade Commission is hereby directed to undertake an inquiry into the chain-store system of marketing and distribution as conducted by manufacturing, wholesaling, retailing, or other types of chain stores and to ascertain and report to the Senate (1) the extent to which such consolidations have been effected in violation of the antitrust laws, if at all; (2) the extent to which consolidations or combinations of such organizations are susceptible to regulation under the Federal Trade Commission act or the antitrust laws, if at all; and (3) what legislation, if any, should be enacted for the purpose of regulating and controlling chain-store distribution.

And for the information of the Senate in connection with the aforesaid subdivisions (1), (2), and (3) of this resolution the commission is directed to inquire into and report in full to the Senate (a) the extent to which the chain-store movement has tended to create a monopoly or concentration of control in the distribution of any commodity either locally or nationally; (b) evidences indicating the existence of unfair methods of competition in commerce or of agreements, conspiracies, or combinations in restraint of trade involving chain-store distribution; (c) the advantages or disadvantages of chain-store distribution in compar son with those of other types of distribution as shown by prices, costs, profits, and margins, quality of goods, and services rendered by chain stores and other distributors or resulting from integration, managerial efficiency, low overhead, or other similar causes; (d) how far the rapid increase in the chain-store system of distribution is based upon actual savings in costs of management and operation and how far upon quantity prices available only to chain-store distributors or any class of them; (e) whether or not such quantity prices constitute a violation of either the Federal Trade Commission act, the Clayton Act, or any other statute; and (f) what legislation, if any, should be enacted with reference to such quantity prices.

COTTONSEED PRICES

[S. Res. 136, Seventy-first Congress, first session, October 21, 1929]

Whereas it is alleged that certain cottonseed crushers and oil mills have entered into a combination for the purpose of fixing prices on cottonseed in violation of the antitrust laws; and

Whereas it is alleged that cottonseed prices have been arbitrarily forced down by the cottonseed crushers and oil mills to a lower level than has ever existed at this season of the year; and

Whereas it is alleged that as a result of such combination cottonseed buyers are not permitted to pay more than a certain price for cottonseed and sell cottonseed meal at less than a certain price under threat of boycott: Therefore be it

Resolved, That the Federal Trade Commission is hereby requested to make an immediate and thorough investigation of all facts relating to the alleged combination in violation of the antitrust laws with respect to prices for cotton-seed and cottonseed meal by corporations operating cottonseed-oil mills. The commission shall report to the Senate as soon as practicable the results of its investigation.

COTTONSEED PRICES

[S. Res. 147, Seventy-first Congress, first session, November 2, 1929]

Whereas it is alleged that certain cottonseed-oil mills have acquired control of cotton gins and have arranged with ginners not to store cottonseed for farmers in order to force the farmers to put their seed upon the market immediately instead of holding them for the purpose of obtaining a profitable price; and

Whereas it is essential that full publicity be given to such matters: Therefore be it

Resolved, That the Federal Trade Commission is hereby directed (1) to investigate the charge that certain corporations operating cottonseed-oil mills are acquiring by purchase or otherwise the ownership or control of cotton gins for the purpose of destroying the competitive market for cottonseed and depressing and holding down the price paid to farmers for cottonseed, and (2) to hold public hearings in connection with the investigations with respect to such matters and in connection with the investigations pursuant to S. Res. 136, agreed to October 21, 1929. The commission shall report to the Senate as soon as practicable the results of its investigations under this resolution.

COTTONSEED PRICES (PRINTING OF TRANSCRIPT)

[H. Con. Res. 87, Seventy-first Congress, second session, June 12, 1930]

Resolved by the House of Representatives (the Sen ate concurring), That the Federal Trade Commission is hereby directed to transmit, from time to time, to the Senate, or expeditiously file with the Secretary of the Senate, during the recess of Congress, a transcript or true copy of the hearings held before said commission, pursuant to S. Res. 136 and S. Res. 147, Seventy-first Congress, directing an investigation of the charges that certain corporations, operating cottonseed-oil mills, are violating the antitrust laws with respect to prices for cottonseed and acquiring the ownership or control of cotton gins, and that the same shall be printed, with accompanying illustrations, as a document for the use of the Senate and House.

COTTONSEED PRICES (PRINTING OF TRANSCRIPT AND EXHIBITS)

[S. Res. 292, Seventy-first Congress, second session, June 20, 1980]

Resolved, That the Federal Trade Commission is hereby directed to transmit, from time to time, to the Senate, or expeditiously file with the Secretary of the Senate, during the recess of Congress, a transcript of the hearings held before said commission, and exhibits filed in connection therewith, pursuant to S. Res. 136 and S. Res. 147, Seventy-first Congress, directing an investigation of the charges that certain corporations, operating cottonseed oil mills, are violating the antitrust laws with respect to prices for cottonseed and acquiring the ownership or control of cotton gins. The transcript of the hearings and exhibits so transmitted shall be printed, with accompanying illustrations,

as a Senate document; except that as to copyrighted books, bulky volumes, and other lengthy exhibits only such descriptions thereof and pertinent extracts there-from shall be printed as the Federal Trade Commission may indicate and transmit with such exhibits for that purpose.

PEANUT PRICES [1]

[S. Res. 189, Seventy-first Congress, first session, October 22, 1929]

Whereas it is alleged that certain peanut crushers and mills have entered into a combination for the purpose of fixing prices on peanuts in violation of the antitrust laws; and

Whereas it is alleged that as a result of such combination prices for peanuts have been arbitrarily forced down; and

Whereas the lack of a competitive market for peanuts has been demoralizing and destructive to the producers of peanuts and considerable losses have been caused to the peanut growers: Therefore be it

Resolved, That the Federal Trade Commission is hereby requested to make an immediate and thorough investigation of all facts relating to the alleged combination in violation of the antitrust laws with respect to prices for peanuts by corporations operating peanut crushers and mills. The commission shall report to the Senate as soon as practicable the result of its investigation.

PRICE BASES [2]

[Resolution of the Federal Trade Commission, July 27, 1927]

Whereas the economical distribution of commodities is one of the chief problems of the day; and

Whereas the method of determining the prices (or the total cost to the purchaser) of commodities sold in the same or in different localities is an important factor in a sound system of distribution; and

Whereas there are various systems and theories on which such prices are made and marked differences of opinion as to their expediency and fairness; and

Whereas some distributors are employing the policy of national distribution with prices, particularly in different consuming territories, that make no allowance for difference in transportation costs, while others allege that there should be a delimitation of markets having respect to transportation expense: Now, therefore, be it

Resolved, That the chief economist of the Federal Trade Commission is hereby directed to inquire into and report upon (1) the factory-base method, the basing-point method, and the delivered-price method of quoting and charging prices (including their respective variations), together with any other method of differentiating prices with respect to location; (2) the causes for the adoption of the several methods employed and the purposes intended to be served by them; (3) their actual and potential effects upon prices and competitive conditions; and (4) any constructive measures which might be employed to promote greater efficiency, economy, or fairness in the methods of quoting or charging prices.

CEMENT INDUSTRY

[S. Res. 448, Seventy-first Congress, third session, February 16, 1931]

Resolved, That the Federal Trade Commission be, and it is hereby, directed to investigate competitive conditions in the cement industry and report to the Senate of the United States:

1. The facts with respect to the sale of cement whether of foreign or domestic manufacture and especially the price activities of trade associations com posed of either manufacturers of cement or dealers in cement, or both.

2. The facts with respect to the distribution of cement, including a survey of the practices of manufacturers or dealers used in connection with the distribution of cement.

1 Investigation completed during fiscal year. Report transmitted to Senate June 30, 1932.

2 First report made public Mar. 26, 1932.

3. Whether the activities in the cement industry on the part of trade associations, manufacturers of cement, or dealers in cement constitute a violation of the antitrust laws of the United States and whether such activities constitute unfair trade practices.

BUILDING MATERIALS INDUSTRY

[S. Res. 493, Seventy-first Congress, third session, March 8, 1931]

Resolved, That the Federal Trade Commission is requested to conduct an immediate and thorough investigation of all facts relating to the letting of contracts for the construction of Government buildings, particularly with a view to determining (a) whether or not there are or have been any price fixing or other agreements, understandings, or combinations of interests among individuals, partnerships, or corporations engaged in the production, manufacture, or sale of building materials with respect to the prices or other terms at or under which such materials will be furnished contractors or bidders for such construction work, and (b) whether or not there is or has been any practice by or in collusion with any such individual, partnership, or corporation and any official or employee of the Treasury Department, in connection with the specifications for such construction work. The commission shall report the result thereof to the Senate and to the Department of Justice on or before December 7, 1931.

BREAD AND FLOUR [4]

[S. Res. 163, 68th Cong., 1st seas., February 16, 1924]

Resolved, That the Federal Trade Commission be, and it is hereby, directed to investigate the production, distribution, transportation, and sale of flour and bread , including by-products, and report its findings in full to the Senate, showing the costs, prices, and profits at each stage of the process of production and distribution from the time the wheat leaves the farm until the bread is delivered to the consumer; the extent and methods of price fixing, price maintenance, and price discrimination; the developments in the direction of monopoly and concentration of control in the milling and baking industries, and all evidence indicating the existence of agreements, conspiracies, or combinations in restraint of trade.

[8] Inquiry completed during fiscal year 1927-28. Reports transmitted to Senate in 1926 1927, and 1928. Was subject to further report following court decision in Millers National Federation case, for which see p. 39.

INVESTIGATIONS, 1913-1932

Anthracite Coal (S. Res. 217, 64th Cong., 1st sess., June 22, 1916, and S. Res. 51, 65th Cong., 1st sess., April 30, 1917) .--The rapid advance in the prices of anthracite at the mines, compared with costs, and the extortionate overcharging of anthracite jobbers and dealers were disclosed in the inquiry in response to these resolutions and a system of current reports called for regarding selling prices which substantially checked further exploitation of the consumer. Reports transmitted May 4, 1917, and June 20, 1917.

Anthracite Coal (on motion of the commission).--A report dealing with premium prices of anthracite coal charged by certain mine operators and the premium prices and gross profits of wholesalers in the latter part of 1923 and early in 1924. The report discusses also the development of the anthracite combination and the results of the Government's efforts to dissolve it. Report dated July 6, 1926.

Bituminous Coal (H. Res. 352, 64th Cong., 1st sess., August 18, 1916).--While this resolution aimed originally at the investigation of the alleged depressed condition of the bituminous-coal industry, the inquiry had not long been under way before there was a great advance in prices, and the commission in its report suggested various measures for insuring a more adequate supply at reasonable prices. War-time price control was soon after established. Reports transmitted May 4, 1917, May 19, 1917, and June 20, 1917.

Bituminous Coal (on motion of the commission).--The reports on investment and profit in soft-coal mining were prepared and transmitted to Congress with the belief that the information would be of timely value in consideration of pending legislation regarding the coal trade. The data covers the years 1916 to 1921, inclusive. Reports dated May 31, 1922, and July 6, 1922.

Book Paper (S. Res. 269, 64th Cong, 1st sess., September 7, 1916).--The inquiry into book paper, which was made shortly after the newsprint inquiry, had a similar origin and disclosed similar restraints of trade, resulting in proceedings by the commission against the manufacturers involved therein to prevent the enhancement of prices. The commission also recommended legislative action to repress restraints of trade by such associations. Reports transmitted June 13, 1917, and August 21, 1917.

Bread (S. Res. 163, 68th Cong., 1st sess., February 16, 1924).--This resolution directed the commission to investigate the production, distribution, transportation, and sale of flour and bread, showing costs, prices, and profits at each stage of the process of production and distribution; the extent and methods of price fixing, price maintenance, and price discrimination; concentration of control in the milling and baking industries; and evidence indicating the existence of agreements, conspiracies, or combinations in restraint of trade. Two preliminary reports were issued, dealing with competitive conditions in flour milling and bakery combines and profits. The final report covered the whole problem and show among other things that wholesale baking in recent years had been generally profitable. it disclosed also price-cutting wars by the big bakery combines and subsequent price-fixing agreements. Reports transmitted May 3, 1926, February 11, 1927, and January 11, 1928.

Building Materials Industry (S. Res. 493, 71st Cong., 3d sess., March 3, 1931, and on motion of the commission, April 27, 1931).--In this inquiry the commission is to investigate and report facts relating to letting of contracts for construction of Government buildings, particularly with a view of determining whether or not there are or have been any price fixing or other agreements, understandings, or combinations of interests among individuals, partnerships, or corporations engaged in the production, manufacture, or sale of building materials with respect to the prices or other terms at or under which such materials will be furnished contractors or bidders for such construction work.

Calcium Arsenate (S. Res. 417, 67th Cong, 4th sess., January 23, 1923).--The high prices of calcium arsenate, a poison used to destroy the cotton boll weevil, led to this inquiry from which it appeared that the cause was due to the sudden increase in demand rather than to any restraints of trade. Report transmitted March 3, 1923.

Cement Industry (S. Res. 448, 71st Cong., 3d sess., February 16, 1931).--This is an investigation of competitive conditions in the cement industry. The resolution calls for investigation and report as to whether activities in the cement industry on the part of trade associations, manufacturers of cement or dealers in cement, constitute a violation of the antitrust laws.

Chain Stores (S. Res. 224, 70th Cong., 1st sess., May 12.1928).--Pursuant to This resolution the commission initiated a general inquiry into merchandising through chain stores. The study will bring out the advantages or disadvantages of this form of marketing as compared with those of other types and an examination of the activities of chain-store systems to ascertain whether they involve any violation of the antitrust laws. Part I of the report entitled " The Cooperative Grocery Chains," July 13, 1931; "Scope of the Chain Store Inquiry," December 22, 1931; "The Wholesale Business of Retail Chains," December 22, 1931; "Sources of Chain Store Merchandise," December 22, 1931: "Chain Store Leaders and Loss Leaders," January 15, 1932; "Cooperative Drug and Hardware Chains," April 18, 1932; "Growth and Development of Chin Stores," June 11, 1932; and "Chain Store Private Brands," September 26, 1932.

Commercial Bribery (on motion of the commission).--The prevalence of commercial bribery of employees was brought out in a special report to Congress. The report carried with it recommendations for legislation striking at this vicious practice. Report dated May 15, 1918.

Commercial Feeds (S. Res. 140, 66th Cong., 1st sess., July 31, 1919) .--The inquiry into commercial feeds, which aimed to discover whether there were any combinations or restraints of trade in that business, was diligently pursued; and though it disclosed some association activities in restraint of trade, it found no important violation of the antitrust laws. Certain minor abuses in the trade were eliminated. Report transmitted March 29, 1921.

Cooperation (on motion of the commission).--The report on cooperation in foreign countries is the result of studies of the cooperative movement in 15 European countries and concludes with recommendations for further developments of cooperation in the United States. Report dated December 2, 17924.

Cooperation in American Export Trade (on motion of the commission).--An extensive investigation of competitive conditions affecting Americans in inter-national trade. The report disclosed the marked advantages of other nations in foreign trade by reason of their superior facilities and more effective organizations. The Webb-Pomerene Act authorizing the association of manufacturers for export work was enacted as a direct result of the recommendations embodied in this report. Reports dated May 2, 1916, and June 30, 1910.

Cooperative Marketing (S. Res. 34, 69th Cong. special sess., March 17, 1925).--An inquiry on the development and importance of the cooperative movement in the United States and illegal interferences with the formation and operation of cooperatives. The report includes also a study of comparative costs prices and marketing practices as between cooperative marketing organizations and other types of marketers and distributors handling farm products. Transmitted April 30, 1928.

Cotton Merchandising Practices (S. Res. 252, 68th Cong., 1st sess., June 7, 1924).--Abuses in handling consigned cotton are discussed in the report on this inquiry and a number of recommendations designed to correct or alleviate existing conditions are made. Transmitted January 20, 1925.

Cottonseed Prices (S. Res. 136, 71st Cong., 1st sess., October 21, 1929, and S. Res. 147, 71st Cong., 1st sess., November 2, 1929).--Under direction of these resolutions the commission seeks information as to whether or not certain large cottonseed oil mill operators have acquired control of cotton gins in order to destroy the competitive market for cottonseed, and to depress prices paid the farmer. Data are also sought concerning an alleged combination in violation of the antitrust laws with respect to prices for cottonseed and cottonseed meal. The

resolution calls for public hearings. Printed volumes of testimony have been issued at intervals covering the hearings by States.

Cottonseed (H. Res. 439, 69th Cong., 2d sess., March 2, 1927).--Alleged fixing of prices paid for cottonseed led to this investigation. The commission found considerable evidence of cooperation among the State associations, but the evidence as a whole did not indicate that prices had been fixed by those engaged in crushing or refining cottonseed in violation of the antitrust laws. One of the main causes of dissatisfaction to both the producer of cottonseed and those engaged in its purchase and manufacture was found to be the lack of a uniform system of grading. Report transmitted March 5, 1928.

Cotton Trade (S. Res. 262, 67th Cong., 2d sess., March 16, 1922).--The inquiry into cotton trade originated by this resolution was covered in part by a preliminary report issued in February, 1923, which discussed especially the causes of the decline in cotton prices in 1922 and left the consideration of the other topics indicated to be treated in connection with an additional and related inquiry called for by the Senate at that time. Reports transmitted February 26, 1923, and April 28, 1924.

Cotton Trade (S. Res. 429, 67th Cong., 4th sess., January 31, 1923).--The inquiry in response to this second resolution on the cotton trade was combined with the one mentioned above and resulted in a report which was sent to the Senate in April, 1924.- This report recommended that Congress enact legislation providing for some form of southern warehouse delivery on New York contracts, and as a part of such a delivery system the adoption of a future contract which would require that not more than three adjacent or contiguous grades should be delivered on any single contract. The commission also recommended a revision of the system of making quotations and differences at the various spot markers and the abolition of deliveries on futures at New York. The special warehouse committee of the New York Cotton Exchange on June 28, 1924, adopted the recommendations of the commission with reference to the southern delivery on New York contracts, including the contiguous grade contract. Report transmitted April 28, 1924.

Cotton Yarn (H. Res. 451, 66th Cong., 2d sess., April 5, 1920).--The commission was called upon in 1920, by this resolution, to investigate the very high prices of combed cotton yarn, and the inquiry disclosed that there had been an unusual advance in prices and that the profits in the industry had been extraordinarily large for several years. Report transmitted April 14, 1921.

Du Pont Investments (on motion of the commission, July 29, 1927).--The reported acquisitions of E I.- du Pont de Nemours & Co. of the stock of the United States Steel Corporation, together with the previously reported holdings in the General Motors Corporation, caused an inquiry into these relations with a view to ascertaining the real facts and their probable economic consequences. Report dated February 1, 1929.

Electric Power (S. Res. 329, 68th Cong., 2d sess., February 9, 1925).--Two reports on the electric power industry were made pursuant to this resolution.-The first dealt with the organization, control, and ownership of commercial electric power companies, and showed the extreme degree to which pyramiding has been carried in superposing a series of holding companies over the underlying operating companies. The second report related to the supply of electrical equipment and competitive conditions existing in the industry. The dominating position of the General Electric Co. is clearly brought out. Reports transmitted February 21, 1927, and January 12, 1928.

Empire Cotton Growing Corporation (S. Res. 817, 68th Cong., 2d sess., January 27, 1925).--This inquiry concerned the development, methods, and activities of the Empire Cotton Growing Corporation, a British company. The report discusses world cotton production and consumption and concludes that there is little danger of serious competition to the American cotton grower and that it will be many years before there is a possibility of the United States losing its position as the largest producer of raw cotton. Transmitted February 28, 1925.

Export Grain (S. Ra 133, 67th Cong., 2d sess., December 22, 1921).--The low prices of export wheat gave rise to this inquiry, which developed extensive and harmful speculative manipulation of prices on the grain exchanges and conspiracies among country grain buyers to agree on maximum prices for grain purchased. Legislation for a stricter supervision of grain exchanges

was recommended, together with certain changes in their rules. The commission also recommended governmental action looking to additional storage facilities for grain uncontrolled by grain dealers. Reports transmitted May 16, 1922, and June 18, 1923.

Farm Implements (S. Res. 223, 65th Cong., 2d sess., May 13, 1918).--The high prices of farm implements led to this inquiry, which discloses that there were numerous trade combinations to advance prices and that the consent decree for the dissolution of the International Harvester Co. was absurdly inadequate. The commission recommended a revision of the decree and the Department of Justice proceeded against the company to that end. Report transmitted May 4, 1920.

Fertilizer (S. Res. 487, 62d Cong., 3d sess., March 1, 1913).--The inquiry, begun by the Bureau of Corporations, disclosed the extensive use of bogus independent fertilizer companies used for purposes of competition, but through conferences with the principal manufacturers agreements were reached for the abolition of such unfair competition. Report transmitted August 19, 1916.

Fertilizer (S. Res, 307, 67th Cong., 2d sess., June 17, 1922).--The fertilizer inquiry developed that active competition generally prevailed in the industry in this country, though in foreign countries combinations control some of the most important raw materials. The commission recommended constructive legislation to improve agricultural credits and more extended cooperative action in the purchase of fertilizer by farmers. Report transmitted March 3, 1923.

Flags (S. Res. 35, 65th Cong., 1st sess., April 16, 1917).--A sudden increase in the prices of American flags led to this inquiry, which disclosed that while a trade association had been active to fix prices shortly before the price advance had been so great on account of the war demand that further price fixing had been superfluous. Report transmitted July 26, 1917.

Flour Milling (S. Res. 212, 67th Cong., 2d sess., January 18, 1922) .--A report on the inquiry into the flour-milling industry was sent to the Senate in May, 1924. It showed the costs of production of wheat flour and the profits of the flour-milling companies in recent years. It also discussed the disadvantages to the miller and consumer arising from an excessive and confusing variety in the sizes of flour packages.- Transmitted May 16, 1924.

Food Inquiry (authorized by the President, February 7, 1917).--The general fool investigation, undertaken with a special appropriation of Congress, resulted in a very important series of reports on the meat-packing industry, which had as their immediate result the enactment of the packers and stockyards act for the control of this industry and the prosecution of the big packers for a conspiracy in restraint of trade by the Department of Justice. Another branch of the food inquiry developed important facts regarding the grain trade which were of assistance to Congress in regulating the grain exchanges and to the courts in interpreting the law. Reports were also issued on the flour-milling and food-canning industries.

Gasoline (S. Res. 457, 631 Cong., 2d sess., September 28, 1914).--Acting under this resolution, the commission published a report on gasoline prices in 1915, which discussed the high prices of petroleum products and showed how the various Standard Oil companies bad continued to maintain a division of marketing territory among themselves. The commission suggested several plans for restoring effective competition in the oil industry. Transmitted April 11, 1917.

Gasoline (authorized by the President, February 7, 1924).--At the direction of the President, the commission undertook an inquiry into a sharp advance in gasoline prices. The report on this inquiry was referred by the President to the Attorney General and has not yet been published. Report dated June 4, 1924.

House Furnishings (S. Res. 127, 67th Cong., 2d sess., January 4, 1922).--The alleged failure of house-furnishing goods to decline in price since 1920 as much as most other commodities, alleged to be due to restraints of trade, was inquired into by the commission. Three reports were issued on the subject, dealing with wooden household furniture, household stores, kitchen furnishings. and domestic appliances. These reports showed that extensive conspiracies existed, under the form of cost-accounting devices and meetings, to inflate the prices of such goods. Reports transmitted January 17, 1923, October 1, 1928, and October 6, 1924.

Independent Harvester Co. (S. Res. 212, 65th Cong., 2d sess., March 11, 1918).--This resolution called for a thorough investigation of the organization and methods of operation of the company which had been formed several years before to compete with the Harvester Trust. The company passed into receivership and the report disclosed that mismanagement and insufficient capital brought about its failure. Report transmitted May 15, 1918.

Interstate Power Transmission (S. Res. 151, 71st Cong., 1st sess., November 8, 1929). -This resolution provides for the commission's filing, within 30 days after passage, and at least once each 90 days thereafter until completion of the investigation, statements of the quantity of electrical energy used for development of power or light, or both, generated in any State and transmitted across State lines, or between points within the same State but through any place outside thereof. Report transmitted December 20, 1930.

Leather and Shoe Industries (on motion of the commission) -The general complaint about the high prices of shoes in the latter part of 1917 as compared with the low prices of country hides led the commission to undertake this investigation. No Justification for the high prices of shoes could be found and recommendations were made for the relief of this condition. Report dated August 21, 1919.

Lumber Trade Associations (authorized by the Attorney General, September 4, 1919).--An extensive survey of lumber manufacturers' associations throughout the United States. The information secured was presented in a series of reports revealing the activities and attitude of lumber manufacture's toward national legislation, amendments to the revenue laws, elimination of competition of competitive woods, control of prices and production, restriction of reforestation, and other matters. In consequence of the commission's findings and recommendations the Department of Justice initiated proceedings against certain of these associations for violations of the antitrust laws. Reports dated January 10, 1921, February 18, 1921, June 9, 1921, and February 15, 1922.

Lumber Trade Associations (on motion of the commission) --An investigation of the activities of five large lumber trade associations bringing down to date the study made at the request of the Attorney General in 1919-20. This inquiry has been conducted in conjunction with the inquiry into open-price associations. Transmitted February 13, 1929.

Meat-packing Profit Limitations (S. Res. 177, 66th Cong., 1st sess., September 3, 1919).--The inquiry into meat-packing profit limitations had as its object the study of the system of wartime control established by the Food Administration; certain changes were recommended by the commission, including more complete control of the business and lower maximum profits. Report transmitted August 24, 1919.

Milk (S. Res. 431, 65th Cong., 3d sess., January 81, 1919).--This inquiry into the fairness of milk prices to producers and of canned Milk to consumers, and whether they were affected by fraudulent or discriminatory practices, resulted in a report showing marked concentration of control and of questionable practices in the buying and handling of cream by butter manufacturers, many of which have since been recognized as unfair by the trade itself. Report transmitted June 6, 1921.

National Wealth (S. Res. 451, 67th Cong., 4th sess., February 28, 1923).--This resolution called for a comprehensive inquiry into national wealth and in-come and specially indicated for investigation the problem of tax exemption and the increase in Federal and State taxes in recent years. T\vo reports were issued as a result of this inquiry. The first was a discussion of taxation and tax exemption which among other things comprised an elaborate estimate of the amount and ownership of tax-exempt securities by different classes of corporations and persons, and examined the significance of these facts with respect to the great increase in the burdens of taxation. The second report was devoted to national wealth and income, estimating the former to be $353,000,000,000 in 1922 and the national income in 1923 at $70,000,000,000. The nature of the wealth and income and its distribution among various classes are also given. Reports transmitted June 6, 1924, and May 25, 1926.

Newsprint Paper (S. Res. 177, 64th Cong., 1st sess., April 24, 1916).--The newsprint-paper inquiry resulted from an unexpected advance in prices. The reports of the commission showed that these prices were very profitable, and

that they had been partly the result of certain newsprint association activities which were in restraint of trade. Through the good offices of the commission distribution of a considerable quantity of paper to needy publishers was obtained at comparatively reasonable prices. The Department of Justice instituted proceedings in consequence of which the association was abolished and certain newsprint manufacturers indicted. Reports transmitted March 8, 1917, and June 13, 1917.

Newsprint Paper (S. Res. 837, 70th Cong., 2d sess., February 27, 1929).--An inquiry to determine the presence of a monopoly among manufacturers and distributors of newsprint paper in the supplying of paper to publishers of small daily and weekly newspapers. Report transmitted July 3, 1930.

Open-price Associations (S. Res. 28, 69th Cong., special sess., March 17, 1925).--This resolution called for an investigation to ascertain the numbers and names of so-called open-price associations, their importance in the industry, and the nature of their activities, with particular regard to the extent to which uniform prices are maintained among members to wholesalers or retailers. Report transmitted February 13, 1929.

Packer Consent Decree (S. Res. 278, 68th Cong., 2d sess., December 8, 1924.).--In response to this resolution a report was made reviewing the legal history of the consent decree and the efforts made to modify or vacate it. A summary is given of the divergent economic interests involved in the question of packer participation in unrelated lines. The report recommended the enforcement of the decree against the Big Five packing companies. Transmitted February 20, 1925.

Panhandle Petroleum (on motion of commission, October 6, 1926).--An inquiry into conditions in the Panhandle (Texas) oil field made in response to requests of crude-petroleum producers. The report revealed that a reduction of prices late in 1926 was largely a result of difficulties of handling and expenses of marketing this oil because of peculiar physical properties. Report dated February 3, 1928.

Peanut Prices (S. Res. 139, 71st Cong., 1st sess., October 22, 1929).--Under direction of this resolution the commission seeks data concerning an alleged combination of peanut crushers and mills for price-fixing purposes in violation of the antitrust. laws as well as information with respect to an alleged arbitrary decrease in prices.

Petroleum (on motion of the commission).--Complaints of several important producing companies in the Salt Creek oil field led this investigation. The report covers the production, pipe-line transportation, refining, and whole ale marketing of crude petroleum and petroleum products in the State of Wyoming. Report dated January 3, 1921.

Petroleum (on motion of the commission).--A special report directing the attention of Congress to conditions existing in the petroleum trade in Wyoming and Montana. Remedial legislation is recommended by the commission. Report dated July 13, 1922.

Petroleum Industry, Foreign Ownership in (S. Res. 311, 67th Cong., 2d sess., June 29, 1922).--The acquisition of extensive oil interests in this country by the Dutch-Shell concern, an international trust, and discrimination practiced against Americans in foreign countries provoked this inquiry which developed the situation in a manner to promote greater reciprocity on the part of foreign governments. Report transmitted February 12, 1923.

Petroleum, Pacific Coast (S. Res. 138, 66th Cong., 1st sess., July 31, 1919.).--On the Pacific coast the great increase in the prices of gasoline, fuel, oil, and other petroleum products led to this inquiry, which disclosed that several of the companies were fixing prices. Reports transmitted April 7, 1921, and November 28, 1921.

Petroleum Prices (S. Res. 31, 69th Cong., 1st sess., June 3, 1926).--A comprehensive study covering all branches of the industry from the ownership of oil lands and the production of crude petroleum to the conversion of petroleum into finished products and their distribution to the consumer. The report described not only the influences affecting the movements of gasoline and other products, but also discussed the organization and control of the various important concerns in the industry. No recent evidence was found of any understanding, agreement, or manipulation among the large oil companies to raise or depress prices of refined products. Report transmitted December 12, 1927.

Petroleum Prices (H. Res. 501, 66th Cong., 2d sess., April 5, 1920).--Another inquiry into high prices of petroleum products. The report of the commission pointed out that the Standard companies practically made the prices in their several marketing territories and avoided competition among themselves. Various constructive proposals to conserve the oil supply were made by the commission. Transmitted June 1, 1920.

Pipe Lines (S. Res. 109, 63d Cong., 1st sess., June 18, 1913).--The report on this inquiry, which was begun by the Bureau of Corporations, showed the dominating importance of the pipe lines in the great mid-continent oil fields, and that the pipe-line companies, which were controlled by a few large oil companies, not only charged excessively high rates for transporting petroleum but also evaded their duties as common carriers by insisting on unreasonably large shipments, to the detriment of the numerous small producers. Transmitted February 28, 1916.

Price Bases (on motion of the commission, July 27, 1927).--An inquiry ordered by the commission into the various practices regarding price bases, namely, factory base, basing point base, and delivered base, with a view to determining the causes for the adoption of the several methods employed and the purposes intended to be served by them, and their actual or potential effects on prices and competitive conditions. This matter is still in course of investigation.

Radio (H. Res. 548, 67th Cong., 4th sess., March 4, 1923).--As a result of the investigation made by the commission in response to this resolution it was found that a vast number of patents were owned by and cross licensed among a number of large companies. At the conclusion of the investigation the commission instituted proceedings against these companies charging a monopoly of the radio field. Report transmitted December 1, 1923.

Raisin Combination (authorized by the Attorney General, September 30, 1919).--A combination of raisin growers in California was referred to the commission for examination by the Attorney General pursuant to the Federal Trade Commission Act, and the commission found that it was not only organized in restraint of trade but was being conducted in a manner that was threatening financial disaster to the growers. The commission recommended a change or organization to conform to the law, which was adopted by the raisin growers. Report dated June 8, 1920.

Resale Price Maintenance (on motion of the commission).--The question whether a manufacturer of standard articles, identified by trade-mark or trade practice, should be permitted to fix by contract the price at which the purchasers could resell them led to this inquiry. The commission recommended to Congress the enactment of legislation permitting resale-price maintenance under certain conditions. Reports dated December 2, 1918, and June 30, 1919.

Resale Price Maintenance (on motion of the commission, July 25. 1927).--A further investigation into this subject was ordered by the commission on July 25, 1927. The study is being conducted from the point of view of its economic advantages or disadvantages to the manufacturer, distributor, and consumer, the effects on costs, profits, and prices, and the purpose and results of price cutting. Part I of the report was transmitted to Congress January 30, 1929; Part II (final), June 22, 1931.

Shoe Costs and Prices (H. Res. 217, 66th Cng., 1st sess., August 19, 1919).--The high price of shoes after the war led to this inquiry, and the investigation of the commission attributed them chiefly to supply and demand conditions. The economic waste due to the excessive variety of styles and rapid changes therein was emphasized. Report transmitted June 10, 1921.

Sisal Hemp (S. Res. 170, 64th Cong., 1st sess., April 17, 1916).--In response to a resolution calling on the commission to assist the Senate Committee on Agriculture and Forestry by advising how certain quantities of hemp, promised by the Mexican Sisal Trust, might be fairly distributed among American manufacturers of binder twine, the commission made an inquiry and submitted a plan of distribution, which was followed. Report transmitted May 9, 1916.

Southern Livestock Prices (S. Res. 133, 66th Cong., 1st sess., July 25, 1919).--The low prices of southern livestock, which gave rise to the belief that discrimination was being practiced, were investigated, but the alleged discrimination did not appear to exist. Report transmitted February 2, 1920.

Stock Dividends (S. Res. 304, 69th Cong., 2d sess., December 22, 1926).--This resolution called for a list of the names and capitalization of those corporations which had issued stock dividends, together with the amount of such stock dividends, since the decision of the Supreme Court, March 8, 1920, holding that stock dividends were not taxable. The same information for the equal period prior to that decision was also called for. The report contains a list of 10,245 such corporations and a brief discussion on the practice of declaring stock dividends, concluding it to be of questionable advantage as a business policy. Transmitted December 5, 1927.

Sugar (H. Res. 150, 66th Cong., 1st sess., October 1, 1919).--The extraordinary advance in the price of sugar in 1919 led to this inquiry, and the price advance was found to be due chiefly to speculation and hoarding in sugar. Certain recommendations were made for legislative action to cure these abuses. Report transmitted November 15, 1920.

Tobacco Prices (H. Res. 533, 66th Cong., 2d sess., June 3, 1920).--All inquiry into the prices of leaf tobacco and the selling prices of tobacco products. The unfavorable relationship between them was reported to be due in part to the purchasing methods of the large tobacco companies. As a result of this inquiry the commission recommended that the decree dissolving the old Tobacco Trust should be amended and alleged violations of the existing decree prosecuted. Better systems of grading tobacco were also recommended by the commission. Report transmitted December 11, 1920.

Tobacco Prices (S. Res. 129, 67th Cong., 1st sess, August 9, 1921).--This inquiry was also directed to the low prices of leaf tobacco and the high prices of tobacco products. It disclosed that in the sale of tobacco several of the largest companies were engaged in numerous conspiracies with their customers-the jobbers--to enhance the selling prices of tobacco. Proceedings against these unlawful acts were instituted by the commission. Report transmitted January 17, 1922.

Tobacco (S. Res. 329, 68th Cong., 2d sess., February 9, 1925).--The report on this investigation related to the activities of the American Tobacco Co. and the Imperial Tobacco Co. of Great Britain. The alleged illegal agreements, combinations, or conspiracies between these companies did not appear to exist. The report disclosed on the other hand evidences of mismanagement in a leading tobacco growers cooperative association. Transmitted December 23, 1925.

Trade and Tariffs in South America (authorized by the President, July 22, 1915).--This report was an outgrowth of the First Pan American Financial Conference which met at Washington, May 24-29, 1915. Its immediate purpose was to furnish the American branch of the International High Commission, appointed as a result of this financial conference, with concrete information to assist it in the deliberations of the International High Commission. The tariff characteristics of Brazil, Uruguay, Argentina, Chile, Bolivia, and Peru are discussed in the report. The investigation established the prevalence of a decided protective tariff tendency in some of the South American countries as against the erroneous impression that had been created in this country that all the Latin American tariffs were devised purely for revenue. Report dated June 30, 1916.

Utility Corporations (S. Res. 83, 70th Cong., 1st sess., February 15, 1928).--This resolution directed the commission to make an investigation of electric and gas public utility companies and their holding companies with respect to their financial development and practices, the conditions respecting the control of the industry, propaganda in opposition to public ownership, and attempts to in fluence elections to certain offices. The resolution directed the holding of public hearings in the conduct of the investigation and called for monthly progress reports to be made to the Senate. The first of these reports was dated March 15, 1928.

War-time Cost Finding (authorized by the President, July 25, 1917).--The numerous cost investigations made by the Federal Trade Commission during the war into the coal, steel, lumber, petroleum, cotton-textile, locomotive, leather, canned foods, and copper industries, not to mention scores of other important industries, on the basis of which prices were fixed by the Food Administration, the War Industries Board and the purchasing departments like

the Army, Navy, Shipping Board, and Railroad Administration, were all done under the President's special direction, and it is estimated that they helped to save the country many billions of dollars by checking unjustifiable price advances. Subsequent to the war a number of reports dealing with costs and profits were published based on these war-time inquiries. Among these may be mentioned reports on steel, coal, copper, lumber, and canned foods.

Wheat Prices (authorized by the President, October 12, 1920).--The extraordinary decline of wheat prices in the summer and autumn of 1920 led to a direction of the President to inquire into the reasons for the decline. The chief reasons were found in abnormal market conditions, including certain arbitrary methods pursued by the grain-purchasing departments of foreign governments. Report dated December 13, 1920.

Woolen Rag Trade (on motion of the commission).--This report contains certain information that was gathered during the war at the request of the War Industries Board for its use in regulating the prices of woolen rags. The compilation of the data and the preparation of the report was authorized by the commission on June 30, 1919.

PUBLICATIONS, 1915-1932

The complete list of the commission's publications,[1] issued from 1915 to 1932, is as follows:

Acts from which the commission derives its powers, with annotations, February, 1922; American Flags, Prices of, July 26, 1917; Annual Reports, 1915-1932.

Beet Sugar Industry, May 24, 1917; Book-Paper Industry, August 15, 1917; Bread and Flour: Competitive Conditions in Flour Milling, May 3, 1926; Bakery Combines and Profits, February 9, 1927; Competition and Profits in Bread and Flour, January 11, 1928; Conditions in the Flour Milling Business, May 9, 1932.

Calcium Arsenate Industry, March 3, 1923: Canned Foods, 1918, November 21, 1921; Canned Salmon, December 27, 1918; Canned Vegetables and Fruits, May 15, 1918; Chain Stores: Chain Store System of Marketing and Distribution (progress report) May 12, 1930; Cooperative Grocery Chains, 1932; Wholesale Business of Retail Chains, December 22, 1931; Sources of Chain Store Merchandise, December 22, 1931; Scope of the Chain Store Inquiry, December 22, 1931; Chain Store Leaders and Loss Leaders, January 15, 1932; Cooperative Drug and Hardware Chains, June 8, 1932; Growth and Development of Chain Stores, June 11, 1932; Coal: Anthracite and Bituminous, Jun e 20, 1917; No. 1 (Pennsylvania-Bituminous), June 30, 1919; No.2 (Pennsylvania-Anthracite), June 30, 1919; No.3 (Illinois-Bituminous), June 30, 1919; No.4 (Alabama, Tennessee & Kentucky-Bituminous), June 30, 1919; No. 5 (Ohio, Indiana & Michigan-Bituminous), June 30, 1919; No. 6 (Maryland, Virginia & West Virginia-Bituminous), June 30, 1919; No.7 (Trans-Mississippi-Bituminous), June 30, 1919; Investment & Profits in Soft Coal Mining, May 31, 1922; Premium Prices of Anthracite, July 6, 1925; Combed Cotton Yarns, April 14, 1921; Commercial Bribery, March 18, 1920; Commercial Feeds, March 29, 1921; Commercial Wheat Flour Milling, September 15, 1920; Cooperation in American Export Trade, parts 1 and 2, June 30, 1916; Cooperation in Foreign Countries, December 2, 1924; Cooperative Marketing, May 2, 1928; Copper, Cost of Production, June 30, 1919; Cotton, Empire Cotton Growing Corporation, January 27, 1925; Cotton Merchandising Practices, January 20, 1925; Cottonseed Industry, March 5, 1928; Cottonseed Industry (interim report), February 28, 1930; Cottonseed Industry, Investigation of, parts 1 to 10, 9 volumes, October 7, 1930 (hearings) to February 8, 1932; Cotton Trade, Preliminary, February 26, 1923; Cotton Trade, parts 1 and 2, April 28, 1924.

Decisions: Index Digest of volumes 1, 2, and 3; volume 1 (1915-1919) ; volume 2 (1919-20); volume 3 (1920-21); volume 4 (1921-22); volume 5 (1922-23); volume 6 (1923); volume 7 (1924); volume 8 (1924-25); volume 9 (March, 1925-November, 1925); volume 10 (November, 1925-November, 1926); volume 11 (November, 1926-January, 1928); volume 12 (January, 1926-June, 1929); volume 13 (June, 1929-May, 1930); and volume 14 (May, 1930-March, 1931).

Electric Power Industry: Control of Power Companies, February 22, 1927; Supply of Electrical Equipment & Competitive Conditions, January 12, 1928; Interstate Power (first interim report) March 12, 1930, (second interim report) June 12, 1930; Interstate Movement of Electric Energy, December 20, 1930; Utility Corporations (testimony) 40 volumes, March 15, 1928, to February 15, 1932 (Exhibits); 7 volumes, October 7, 1929, to March 5, 1930 (exhibits subsequent to pt. 16 printed with the testimony).

Farm Implements, Causes of High Prices of, May 4, 1920 ; Fertilizer Industry, August 19, 1916; Fertilizer Industry, March 3, 1923; Flour Milling, Wheat Flour Milling industry, May 16, 1924; Flour Milling-Competitive Conditions

1 Many commission publications are out of print, while others are obtainable only by purchase from the Superintendent of Documents, Government Printing Office, Washington.

in-May 3, 1926 (see Bread and Flour) ; Flour Milling and Jobbing, April 4, 1918; Flour Milling-Commercial Wheat Flour Milling, September 15, 1920; Flour Milling-Conditions in the Flour Milling Business, May 9, 1932; Foreign Trade Series, November 1, 1919; Functions of Federal Trade Commission, July 1, 1922; Fundamentals of a Cost System of Manufacturers, July, 1916.

Gasoline, Price of in 1915, April 11, 1917. Grain Exporters, volume 1, May 16, 1922, and volume 2, June 18, 1923; Grain Trade, volume 1 (Country Grain Marketing), September 15, 1920; volume 2 (Terminal Grain Markets), September 15, 1920; volume 3 (Terminal Grain Marketing), December 21, 1021; Volume 4 (Middleman's Profits), September 26, 1923; Volume 5 (Future Trading Operations), September 15, 1920; Volume 6 (Prices of Grain and Grain Futures), September 10, 1924; Volume 7 (Effects of Future Trading), June 25, 1926; Guarantee Against Price Decline, May 27, 1920.

High Cost of Living, April 30-May 1, 1917; House Furnishings, volume 1 (Household Furniture), January 17, 1923; Volume 2 (Stoves), October 11, 1923; Volume 3 (Kitchen Equipment and Domestic Appliances), October 6, 1924.

Leather and Shoe Industries, August 21, 1919; Lumber Manufacturers Trade Associations, March 29, 1922; Lumber, Northern Hemlock and Hardwood Manufacturers, May 7, 1923; Lumber War-Time Costs and Profits of Southern Pine Lumber Companies, May 1, 1922; Lumber-Western Red Cedar Association, January 24, 1923.

Meat Packing Industry, Maximum Profit Limitations on, September 25, 1919; Summary and part 1, June 24, 1919; part 2, November 25, 1918; part 3, June 28. 1919; part 4, June 30, 1919; part 5, June 28, 1919; part 6, December, 1919; Milk and Milk Products, June 6, 1921.

National Wealth and Income, May 25, 1926; Newsprint Paper Industry, June 13, 1917; Newsprint Paper Industry, June 30, 1930.

Open-Price Trade Associations, February 13, 1929.

Packers' Consent Decree. February 20, 1925; Peanut Mills, Prices and Competition among Peanut Mills, June 80, 1932; Petroleum Industry, Foreign Ownership in, February ,12, 1923; Petroleum Industry of Wyoming, January 3, 1921; Petroleum, Panhandle Crude, February 3, 1928; Petroleum, Pacific Coast, part 1, April 7, 1921; Pacific Coast, part 2, November 28, 1921; Petroleum, Pipe Line Transportation of, February 28, 1916; Industry, Prices, Profits and Competition, December 12, 1927; Products, Advance in Prices of, June 1, 1920; Petroleum Trade in Wyoming and Montana, July 13, 1922; Price Associations-Letter to President, 1921 ; Price bases, The Basing Point Formula and Cement Prices, March 26, 1932; Private Car Lines, June 27, 1919; Profiteering, June 29, 1918.

Radio Industry, December 1, 1923; Resale Price Maintenance, June 30, 1919; January 80, 1929 (pt. 1); June 22, 1931 (pt. 2); Rules of Practice, with amendments, February 1, 1924; Rules of Practice and Procedure, June 30, 1927; January 1, 1928; October 1, 1928; October 15, 1929; July 15, 1930; July 1, 1932.

Shoe and Leather Costs and Prices, June 10, 1921; Southern Livestock Prices, February 2, 1920 ; Statutes and Decisions Pertaining to the Federal Trade Commission, 1914-1929; Steel-Pittsburgh Basing Point for-October 15, 1919; Steel-War-Time Profits and Costs, February 18, 1925; Stock Dividends, December 5, 1927; Sugar Supply and Prices, November 15, 1920 ; System of Accounts for Retail Merchants, July, 1916.

Taxation and Tax Exempt Income, June 6, 1924 ; Tobacco Industry, December 11, 1920; Tobacco--Prices of Tobacco Products, January 17, 1922; Tobacco--Report on American Tobacco Co. and Imperial Tobacco Co., December 23, 1925; Trade Marks, Patents, etc., 1918; Trade Practice Submittals, July 6, 1925; Trade Practice Conferences, September 15, 1927; March 15, 1928; July 1, 1929; Trade and Tariffs in South American Countries, June 30, 1916; Trust Laws and Unfair Competition, March 15, 1915.

Uniform Contracts and Cost Accounting Definitions, July, 1917.

Wheat Prices for 1920 Crop, December 13, 1920; Wholesale Marketing of Food, June 30, 1919; Woolen Rag Trade, June 30, 1919.

INDEX

(Only those complaints and orders to cease and desist which are described in Part V are indexed here. All complaints and orders appear alphabetically, digested, beginning at pages 188 and 171 in Part VII)

	Page
Accounts and personnel	4
Administrative matters	4, 145
Advertising, false and misleading	43
Agreements in restraint of trade, cases of	66
American Gas & Electric Co., public utilities	13
American Power & Light Co., public utilities	13, 16
Appropriations	6
Arrow-Hart & Hegeman Co. (Inc.), order to cease and desist	75
Associated Gas & Electric Co., public utilities	13, 15, 16
Bailey Radium Laboratories (Inc.), order to cease and desist	82
Board of review	3, 61
Bread and flour industry, general inquiry	3, 89
Building materials inquiry	2, 88
Bureau of Corporations	1
Byllesby group, public utilities	18
Cement inquiry	2, 38
Chain-store inquiry	2, 21
Chief counsel, duties of	8
Chief economist, duties of	8
Chief examiner, duties of	8
Chief trial examiner, duties of	8
Clayton Act, text of	157
functions of	2, 61
Commissioners	4
Competition, methods of condemned	86
Complaint, answer, and trial of cases	57
Complaints, applications for, tabular summary	117
digests of	183
representative	64
Congressional and other inquiries, 1913-1932	261
Consolidated Book Publishers (Inc.), court case	91
Consolidations and mergers	61
Cottonseed price inquiry	2, 33
Court cases	90
Curtis Clothing Corporation, order to cease and desist	85
Dakota Alfalfa Growers, order to cease and desist	83
Dismissals, orders of	180
Disbursing office	4
Docket section	4
Economic division	4
Editorial service	4
Electric Bond & Share Co., court case	6, 94
public utilities	12, 13, 20

	Page
Electric Power & Light Corporation, public utilities	13, 16
Everitt & Graf, court case	97
Export trade act, text of	161
investigations, tabular summary of	117
section, work of	4, 29
Federal Trade Commission:	
Administrative functions of	4
Appropriations for work of	6
Commissioners, work of	4
Delegation of work of	3
Economic work of	4
Expenditures of	6
Function and rules of	1
Legal work of	3, 57, 117
Organization of	1
Policy of	163
Procedure of	57
Publications of	6
Rules of practice before	165
Federal Trade Commission act, text of	151
functions of	1
amendment to, suggested	7
Ferguson, Garland S., commissioner	5
Fiscal affairs	145
Flynn & Emrich Co., court case	97
Foreign trade, unfair competition in	67
Foreign trade work	129
Foshay, W. B., Co., public utilities	13
Greener, A. J., order to cease and desist	80
Holding companies, financial structure of	11
Holding company, acquisition of competitors by	75
Hospital	4
Hughes, E Griffiths (Inc.), court ease	98
Humphrey, William E., chairman, Federal Trade Commission	5
Runt, C. W., commissioner	5
Inecto (Inc.), order to cease and desist	84
Insull group, public utilities	12, 16, 17
Investigations, 1913-1932	261
Keppel, B. F., & Bro. (Inc.), order to cease and desist	19
court case	99
Kirk, James S., & Co.; court case	99
Legal investigation and review	60
Lenape Hydraulic Pressing & Forging Co., order to cease and desist	83
Library of the commission	4
Lomax Rug Mills, court case	102
Machine Tool Distributors, Chicago District, order to cease and desist	77
Mails and files	4
March, Charles H., commissioner	5
Marietta Manufacturing Co., court case	102
McCulloch, Edgar A., commissioner	5
McKinley-Studebaker group, public utilities	12
Mennie, F. L., court case	104
Middle West Utilities Co., public utilities	12, 10, 17

Page
Misrepresentation, typical cases of 68, 69, 70, 71, 72
National Power & Light Co., public utilities 13
National Public Service Corporation, public utilities 12, 13
New England Power Association, public utilities 13
New England Public Service Co., public utilities 12, 13
North American Co., public utilities 12, 13
North American Light & Power Co., public utilities 12, 19
Northam Warren Corporation, court case 104
Nu-Grape Co., of America, The, court case 105
Orders to cease and desist 72
Paramount Famous-Lasky Corporation, court case 106
Peanut prices inquiry 34
"Philippine mahogany" cases, court case 108
Power and gas utilities inquiry 2, 11
Preliminary inquiries 60
Price-bases inquiry 2, 36
Price-fixing combination, case of 77
Procedure in cases before the commission 57
Publications 6
Public-utilities Investigation 11
Raladam Co., court case 109
Renovated hat cases 71
Resale-price maintenance, cases of 78
Resolutions directing inquiries 255
Royal Milling Co., court ease 112
Rubin stein, Helena (Inc.), order to cease and desist 78
Sherman Antitrust Act, text of 149
Southeastern Power & Light Co., public utilities 18
Special board of investigation 44
Standard Education Society, order to cease and desist 80
Standard Gas & Electric Co., public utilities 12, 13, 18
Stanford, H. M., order to cease and desist 80
Stipulations 63
Stock, acquisitions, violations of Clayton Act 61, 65
Stenographic section 4
Supplies section 4
Temple Anthracite Coal Co., court case 112
Testimonial advertising 69, 104
Trade, agreements in restraint of, cases 66
Trade practice conferences 51
Trial examiner's division 3
Trust laws in foreign countries 135
Types of unfair competition 86
Unfair competition, methods of, condemned 86
cases of, reviewed 64
United Tailoring Co., order to cease and desist 85
Vivaudou, V. (Inc.), court case 114
Ward, W. H., order to cease and desist 80
Waugh Equipment Co., order to cease and desist 74
Webb-Pomerene law, provisions of 129
"White Pine" lumber cases, court case 115